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No. 1512

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GOVERNMENT DEBATES NUCLEAR WEAPONS QUESTION

ADA Advises Modernization

Rotterdam NRC HANDELSBLAD in Dutch 5 Nov 79 p 1

[Text] The Hague, 5 November--"NATO must make a decision in December on the production of new nuclear weapons (Pershings and cruise missiles). In addition, the allies must declare themselves willing, in principle, to deploy a limited number of the new nuclear missiles, and--depending upon how the negotiations with the Soviet Bloc go--accept the possibility that there will be a larger number."

A clear majority of the ADA [Advisory Council for Defense Matters] supported this view in an advisory opinion submitted to Minister of Defense Scholten. The council is an independent advisory body which consists mainly of non-military individuals.

In addition to the majority view, three minority views were also formulated which tie modernization to more conditions or reject them. Indeed, the result of the discussion within the council was that the majority took a less harsh position.

The former members of parliament Wierda (chairman of the advisory council of the PvdA [Labor Party]), Van Elsen, of the KVP [Catholic People's Party] and Van Leeuwen of the ARP [Antirevolutionary Party], the journalists Heldring and Neuman, the former general of land forces Van der Slikke, expert in "polemologic" [science of war and peace], the Teunissen, and CDA [Christian Democratic Appeal] member of the European Parliament Jansen van Raay belong to the majority.

A minority of three members--former member of parliament Van Mierlo (D '66 [Democrats '66]) and the economists Halberstadt and De Kam (PvdA)--take the position that the member countries of NATO should only make the decision in December that they are willing to deploy nuclear missiles on their own soil.

They want to make that decision dependent upon the negotiations with the Soviet Bloc and it may scarcely be made if the "lack of balance" in European strategic armament "which is evident at present" develops "substantially" to the disadvantage of NATO.

The minority group of Van Mierlo and his associates feels that the preparation for the production of the new nuclear missiles must take place, and that only a favorable development of the negotiations with the Soviet Bloc can lead to a shutting down of production.

Besides this minority group, former state secretary Kooymans, of the ARP, takes the position, as an isolated individual, that the United States must, indeed, appropriate money for the new nuclear weapons, but must not begin producing them yet.

Three members--Lafeber, of the PPR [Political Party of Radicals], former trade unionist Brussel, of the NKV [Netherlands Catholic Workers Federation] and member of the VNO [Federation of Netherlands Enterprises] board of directors Wijkstra, of the PvdA--completely reject new weapons. They accept the line of the IKV [Interchurch Peace Council] which opposes modernization of nuclear weapons.

CHU Against Isolation

Rotterdam NRC HANDELSBLAD in Dutch 5 Nov 79 p 3

[Text] Utrecht, 5 November--"The Netherlands absolutely must not place itself outside the international discussion of the problems of nuclear armament by assuming a one-sided, national sort of point of view. That would be token isolation." The Union Council of the CHU [Christian Historical Union]--the board of directors--accepted this view Saturday at a meeting in Utrecht. The council did not consider it to be its task to make compelling and binding statements about armament with nuclear weapons; some room for discussion and negotiation must be left to the government and the CDA [Christian Democratic Appeal] groups in the First and Second Chambers. Such an isolation as was indicated above would be harmful to the carrying out of the CDA's program and the coalition agreement, in which cutting back the role of nuclear weapons is mentioned.

The general management of the CDA is to discuss the question of nuclear armament on Saturday, 8 December, within the framework of an examination of the CDA's report, "Peace and Security."

It was the Union Council's opinion that if modernization of individual nuclear weapons appeared necessary a continuous effort should be made toward bilateral replacement of nuclear weapons by conventional weapons. Experience has shown, it said, that negotiations concerning armaments offer the best chances for success if armament in a certain category by both sides is in overall equilibrium.

The discussion was opened by Second Chamber member Wisselink, as we reported on Wednesday. According to member of Parliament Gualthertie van Weezel (CDA), not only must the security of Europe not be endangered but also the security of 300,000 Americans in Europe must not be brought into jeopardy, for if it is, isolationist tendencies will ~~come~~ into existence in the United States.

He had noticed in America that the United States has confidence in Minister of Defense Scholten, among other things, because of the way he presents the critical attitude of the Netherlands. Accordingly, it is requested by the Union Council that Scholten be given a maximum amount of elbow room.

Leader on the List of Candidates

The executive committee of the CHU has made known its desire that the deputy chairman of the CDA's party group in the Second Chamber, Dr. G. van Leijenhorst, should be made number one of the CHU's list of candidates, which is to be included in the ticket of the entire CDA for the parliamentary election of 1981. The Union Council is to make a decision on this matter on 8 December. (ANP [General Netherlands Press Agency])

9258

CSO: 3105

SPLIT WITHIN NORWEGIAN GOVERNMENT ON THE MODERNIZATION

Ose AFTENPOSTEN in Norwegian 1 Nov 79 p 12

[Article by Olav Trygve Storrvi]

[Text] A split within the government is expected before Norway's position on modernization of nuclear weapons in Europe will become finally defined and become decisive for Norway's contribution to the discussions at the December NATO council meeting. It is especially the ministers Einar Førde and Sissel Rønnevik who are strongly critical of a decision on principle regarding deployment of new nuclear weapons.

It is clear that there is considerable unrest within the Labor Party. At a meeting of the Storting group of the Labor Party last night, it appeared that the group is divided on the question. The majority, however, supports the government's position that Norway, subject to certain conditions, ought to agree to a replacement of the nuclear weapons in Western Europe, but a considerable minority opposed the plans. This minority, which mainly consists of the younger members of the group, warns against what they regard as another round in the armaments escalation. The international committee of the Labor Party also held a meeting this week at which the plans to modernize the nuclear weapons were discussed, and also here statements were made which were extremely critical of the government's line.

There, nevertheless, is little doubt that the government will receive support for its line when the question comes up in the Storting. After the parliamentary leader of the Christian People's Party, Lars Korvald, at a very early stage took a quick, clear and strong stand for modernization of the nuclear arsenal, thus the foreign minister's line, an effective step was put to the opposition before the Storting group of the party got a chance to exert any efforts. The majority of the representatives of the Christian People's Party will thus support the government, but possibly on somewhat different principles. Nevertheless, there is some grumbling in the ranks, and the possibility that some will vote against an affirmative decision cannot be disregarded.

The advisory committee of the government on armaments control and disarmament yesterday split when examining the plans for production and deployment of new nuclear weapons. A majority of six members recommends that the government adopt the stand to seek to get a discussion going before a decision to modernize the nuclear weapons is adopted. Four of the members, however, recommend that Norway support such a decision, but also emphasize the need to start actual negotiations with the Soviet Union on a balanced reduction of the forces to the lowest possible level. This proposal was supported, among others, by the deputy chairman of the committee, Aabjorn Haugstvedt, Christian People's Party, Johan J. Jakobsen, Socialist Party, and Thor Knudsen, Conservative Party. Two of the members of the committee who were not present yesterday, have given written statements which closely resemble the views of the four members.

The chairman of the committee, Helge Sivertsen, superintendent of schools, who belongs to the majority, says in his statement that it is here not only a question of modernization but of deployment of new nuclear weapons. There is a danger of a new round in the armaments escalation, Sivertsen says.

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CSO: 3108

WIDE SUPPORT IN STORTING FOR NATO'S NEW MODERNIZATION

Oslø A/TEMPOSTEN in Norwegian 2 Nov 79 p 5

[Text] The government has wide support in the Storting for supporting the NATO plans to modernize the nuclear forces of the alliance. This became clear in yesterday's debate on international affairs. And the background is the frightening modernization of the nuclear weapons of the Soviet Union and the other Warsaw Pact countries. There is a strong hope in the Storting to get negotiations started with the East Bloc countries on a reduction of the nuclear forces so that it will not become necessary to implement the NATO plans. The Socialist Party of the Left and the Liberal Party, as well as several speakers from the Labor Party, expressed deep scepticism regarding the NATO plans.

The chairman of the foreign affairs committee, Arvid Johansen (Labor Party), Setfald, stressed that the offer of negotiations for a reduction of the forces on the part of both parties is a more important part of the NATO presentation than the proposal to strengthen the arsenal of nuclear weapons. I presume that on the basis, among other things, of President Leonid Brezhnev's move to reduce the forces, they are trying to reach mutual arms limitations with the object in view that it will not become necessary for NATO to deploy new nuclear weapons, he said. Johansen emphasized that the military balance between the East and the West, which has secured the stability in Europe since 1949, is about to change in Soviet favor, as far as nuclear weapons are concerned.

Against that background, it, therefore, is not strange that the question of some kind of modernization has been raised in NATO quarters, Johansen said. And it is, of course, easy to attack the view that a strengthened defense ability is a contribution towards disarmament, but I am afraid that this is not too far from the truth.

"The question of a modernization of nuclear weapons does not apply to Norway," he said, "but to other countries within the alliance. Should other countries within the alliance consider it justified for their own countries, Norway will have to have weighty reasons for vetoing such a decision."

The parliamentary leader of the Conservative Party, Kåre Willoch, took as his starting-point what he described as the alarming reality:

"The Soviet Union is developing a new system of nuclear missiles which can hit any target whatsoever in Western Europe with great precision. There are no weapons in Western Europe which can reach so far that they can hit back," he continued. "Compared to this threat, the movement of a modest Soviet force cannot contribute appreciably to restoring the balance. The claim that NATO is leading in the armaments race in Europe is defeated on the ground of its own absurdity. What is proposed in order to modernize NATO's tactical nuclear weapons is nothing but an attempt to respond to the armament which has been going on for already a long time on the Soviet side."

If NATO adopts the modernization plan, it will still take 3-4 years before the new weapons are deployed. During that period, Willoch said, one can use an offer of limitation of the forces of the West which are being built up, as a means to obtain a limitation of the Soviet forces. As far as Norway's role in the picture is concerned, the parliamentary leader of the Conservative Party emphasized that the credibility of NATO's guarantee to Norway will also be weakened if the modernization decision is stopped. That is why Norway, both for the sake of its own safety and out of consideration for the other parties in the defense cooperation, should support the modernization of the nuclear weapons, he pointed out.

This view was supported both within the Christian People's Party and the Center Party. "I expect," said Kjell Magne Bondevik (Christian People's Party), Møre and Romsdal, "that even if a decision on principle is adopted regarding such a modernization and deployment in Europe, this will immediately be accompanied by offers of negotiations with the Soviet Union. It should be possible to both start and conclude such negotiations before a decision, if any, is put into effect. The possibilities, therefore, should exist to avoid the nuclear armament which is feared by many people."

The parliamentary leader of the Center Party, Johan J. Jakobsen, North Trøndelag, said that there should be no doubts that any reduction of the forces in Central Europe must be based on equilibrium, and Norway should not oppose a decision on principle regarding modernization. We should also work actively for the commencement of actual disarmament negotiations; the moves which have been made from the Soviet side must be evaluated seriously, and the aim of the negotiations must be that it will not become necessary to deploy the new nuclear weapons in Western Europe.

But there were also several speakers who took a considerably more negative view of NATO's modernization plans. Liv Aasen (Labor Party), South Trøndelag, said that she had great problems in understanding how one can arrive at disarmament by first carrying through a rearmament. We have been doing this far too long, she pointed out, and she hoped that the introduction of new nuclear weapons will not be adopted now, but that negotiations will be started immediately with a view to disarmament and arms limitations. She

is supported in her view by, among others, Kjell Bohlén, Telemark, Inger Lise Gjerv, North Trøndelag, and Ingerid Eide, Oslo, and several other fellow party members, beyond the circle of NATO opponents.

The parliamentary leader of the Liberal Party, Hans Hammund Roesbach, Møre and Romsdal, clearly also was sceptical. He said that Norway should not support the modernization plan without having beforehand tried absolutely all possibilities to avoid it. I have a feeling, he said, that this is not the situation today. He rejected the idea of first procuring such new weapons in order subsequently to use them as a negotiating card in relation to Eastern Europe.

Insane, was the way in which Hanna Kvanne (Socialist Party of the Left), Nordland, described the NATO plans, and her fellow party member, Stein Ørskov, Oslo, followed it up:

"The rearmament policy has led the world towards a precipice. In the name of humanity and decency, the foreign minister and the government should think it over once more before giving their support to the so-called modernization of NATO's nuclear forces," he said.

Thyness (Conservative Party), Oslo, pointed out that if we do not meet the Warsaw Pact's modernization of its nuclear forces with determination and show the will to adjust our own defense ability accordingly, we shall have given the Soviet Union the same signal that the democracies gave Germany in the mid-thirties: the signal that we are ready to be taken!

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CSO: 3108

NORWEGIANS URGE LINKING MODERNIZATION TO DISARMAMENT TALKS

Oslo Aftenposten in Norwegian 2 Nov 79 p 5

[Text] "The most certain way to obtain disarmament results is first to adopt the NATO program and, subsequently, to initiate negotiations with balanced strength as the starting point. It is then that one has something to give," Minister of Defense Thervald Stoltenberg said in the debate on foreign affairs in the Storting yesterday.

"An approximate balance is the key to security and to possibilities of negotiations between the East and the West. There is full agreement to negotiate for disarmament and limitation of armaments. The disagreement turns on whether we shall seek negotiations before or after the adoption of a decision on modernization," the defense minister said.

Defense Minister Stoltenberg said that experience clearly indicates that the most certain way to obtain results is first to adopt a modernization decision and, subsequently, to negotiate before the new weapons are deployed. In this connection, the minister drew attention to President Carter's plans regarding the neutron weapon. After a prolonged debate, President Carter did not start the development and production of the weapon. Instead he invited the Soviet Union to take a corresponding initiative which could change the course of the armaments race.

"We can only ascertain that there was no response to Carter's initiative," Defense Minister Stoltenberg said.

The parliamentary leader of the Socialist Party of the Left, Hanna Kvanne, reacted very strongly to the defense minister's speech. "I got increasingly sick and dispirited as the day goes on. It is clear that the new defense minister has become obsessed by the new philosophy that one must not have the nuclear weapons as a deterrent only but also in order that one can use them in a given situation because they are 'cleaner and nicer' than the old ones," she said.

Defense Minister Stoltenberg answered that the regard for the balance of strength between the East and the West is decisive for achieving actual negotiations. The result can then also be that the total number of weapons can be reduced both within the NATO and the Warsaw Pact countries.

Foreign Minister Knut Frydenlund pointed out that adoption of the modernization decision, if at all, must be coupled with an offer to the Soviet Union of arms limitation negotiations. "The negotiations must be aimed at creating military equilibrium at the lowest possible level, so that the deployment of new nuclear weapons becomes unnecessary and the present level can be reduced," the foreign minister said.

Outters Hansen (Labor Party) took up the subject of the increased criticism from the Soviet Union of Norway's NATO involvement. "The Soviet Union should rather be pleased that Norway has made reservations in respect of its NATO membership and should not try to provoke an attitude among the public which can give the basis for demands for changes in the NATO policy laid down for our country. It pays nobody if political extremists get an occasion to argue against the policy which we have been pursuing," Outters Hansen said.

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CBO: 3108

UK, FRANCE, FRG ACT TO LESSEN RELIANCE ON SOVIET TITANIUM

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 8 Nov 79 p 17

[Article by Klaus Peter Krause: "Europe Wants To Lessen Dependence on Soviet Titanium"]

[Text] The drastic shortage of supplies on the titanium market (FRANKFURTER ALLGEMEINE, 7 November) has encouraged efforts in the European Community to try and make sure of titanium supplies by setting up EC facilities. Involved here is the production of titanium sponge, a granular material and intermediate product for the manufacture of titanium ingots, bars and semifinished articles. Due to its desirable qualities titanium has become a strategic material in the construction of aircraft, rockets and submarines.

The only titanium sponge plant in the European Community and Western Europe is operated by Imperial Chemical Industries (ICI) Ltd in England. It supplies the sponge for further processing to British Imperial Metal Industries (IMI). The metal and the semifinished articles produced there are bought mainly by Rolls Royce. However, the ICI plant is old and technically obsolete and was therefore to be demolished. In order not to imperil titanium supplies for Rolls Royce, the British Government insists that a new plant be constructed (with government aid). Envisaged is an annual output of 5,000 tons. Of this quantity 4,500 tons would go to Rolls Royce so that not much would be left for titanium processors in the Federal Republic and France especially. In 1978, for example, France used approximately 600 tons of titanium sponge, the Federal Republic about 2,500 tons.

These circumstances have challenged the French metallurgical corporation Pechiney-Ugine-Kuhlmann. It also intends to build a plant but does not wish to do so alone nor to supply only French needs. Pechiney therefore began negotiations with the British National Enterprise Board and also with the three major German titanium users: Thyssen, Krupp and Metallgesellschaft. So far, though, these discussions do not seem to have accomplished anything.

For some months past Metallgesellschaft AG of Frankfurt has mullied over the possible construction of a titanium sponge facility; it also is on the

lookout for partners. Reportedly Thyssen and Krupp have been ventilating the same idea for the past 10 years but, up to now, always shrank back in view of the market risk which, in the past, has been unduly high.

German experts consider the most sensible proposition a 10,000 ton plant with British, German and French participation. Such an output could meet the titanium needs of the entire Community and free it from reliance on the Soviet Union.

Krupp and Thyssen, though, still appear to hold back. One of their arguments runs: "Nobody knows whether the Russians are not about to expand their capacities and resume titanium sponge exports in order to earn foreign exchange."

At the end of 1978, citing their own needs, the Soviets refused to conclude new delivery contracts for 1979. The result was the bottleneck now prevailing. Can anyone be certain that China will one of these days export titanium sponge? So far only small quantities have come from China at odd times. Another point at issue is the uncertainty about future demand. It is known that two of the three American titanium producers are increasing their capacities. Supplies are therefore likely to increase in the coming years. The industry is all too vividly aware of the price collapses of 1962-1963 and 1975-1976, which occurred due to the competition of cheap imports.

Essentially titanium sponge is produced in only four countries. Estimates of 1978 world production (excluding China) mention about 62,000 tons. The Soviet Union accounts for 35,000 tons (56 percent), the United States for 15,500 tons, Japan for 9,200 tons and Britain for 2,200 tons (more likely 3,500 tons). China has now joined these four countries, but no data are available about production there. Like China Britain has only rarely exported titanium sponge, producing the material almost exclusively for domestic consumption. The United States also use their output at home; occasionally American titanium processors were even compelled to purchase additional material abroad. Until now they also relied largely on Soviet supplies which are said always to have been somewhat cheaper than Japanese titanium sponge. The material is produced by three firms in the United States and two in Japan.

Rutile is the usual crude ore for the production of titanium sponge. Natural rutile deposits, however, are rather limited. Consequently there is an increasing tendency to use synthetic rutile made from ilmenite which occurs in nature quite frequently. Titanium is usually bought and sold in the form of titanium sponge.

So far Australia has been the most important producer country of rutile and ilmenite. The 1978 world production of rutile concentrate (excluding China) has been estimated at about 31,400 tons. Australia accounts for 83 percent, the Soviet Union for about 10 percent, and South Africa for just under 6 percent. It is reported that approximately 4.36 million tons of ilmenite concentrate were produced in 1978 (again excluding China). Australia is ahead here at 28 percent, followed by Canada (19 percent), Norway (18 percent) and the United States (13 percent). The Soviet share is reported as about 9 percent but is said actually to amount to more.

COOLS AFFIRMS SUPPORT OF MARTENS GOVERNMENT

Brussels LE SOIR in French 16 Oct 79 p 2

[Article by S. de W.: "Cools' Clear Support for the Martens Team, the 'Last Chance Government'"]

[Text] This weekend and its spillover Monday into the FDP [Democratic Front of Brussels French Speakers] general council meeting, the cabinet reshuffle--not to mention the negotiations on social security reform--constitutes a particularly hot period of political life. It will come to a head before the Parliament on Wednesday during the presentation to the members of Parliament of the governmental policy by the prime minister. In view of this debate the socialist party, this Sunday, and the FDP, this Monday night in private, are meeting to clarify their positions.

With the massive approval (85.9 percent) of the participating faction of the socialist party it can be said that half-time in this hot period has been reached with the impression that the weather remains favorable to the prime minister. Already, however, a special congress of the CVP [Social Christian Party] from now until the end of the year on government reform is being outlined. This is a congress prepared by task forces one of which--that on financial problems--is speaking out against the system of endowments and preaching proper financial responsibility of each community. This is yet more fallout from the KIL [expansion unknown] report concluding that Flanders is keeping Wallonia alive.

Prime Minister Wilfried Martens thus intends to submit his government's policy for the approval of the parliamentarians next Wednesday. No doubt he registered with relief the scores collected at the clarification congress of the socialist party which was held on Sunday in Brussels. The participating faction predominated with 85.9 percent of the votes versus 10 percent for the "Socialist Tribunes" current; the latter adopted a clearly more critical attitude. The resolutions of Andre Cools, the president of the PS [Socialist Party] seemed extremely clear as far as the present government team is concerned: "The Martens government is the last chance government, and I refuse to sit down at any table whatsoever in order to form another government if this government should fall," he declared in substance.

The president of the Liberal Reform Party [PRL], J. Col will also speak about participation in an eventual government but in another perspective. During the closing speech which he delivered before the permanent committee of this party Saturday at Namur he found fault with the present government team. And went so far as to examine the hypothesis of participation by his party--in which, since Saturday precisely, Walloon and Brussels liberals again found themselves united in a new government. Recalling that his party is not doing the asking in this matter, Jean Col nevertheless feels that if asked the liberals could participate in a negotiation for the formation of a new government.

We should also note that in another perspective, as predicted it is indeed a troika which will henceforth assure the destiny of the Christian Worker Movement [MOC], with Jeanine Wynants securing the presidency and Jean Hallet and Francois Martou as the two vice presidents.

It seems, moreover, that there will be much talk about the latter at the FDP general council which should meet behind closed doors this Monday at the end of the day's work. Particularly about his resolutions which he made before the Free Wallonia group and of which the public remembers a suggestion of a Brussels-Wallonia merger with abandonment of the institutional statute for the capital. Even if, according to certain individuals, his resolutions have not been correctly interpreted, their expediency threatens to provoke vigorous criticism within the FDP, to which he belongs.

Nonetheless the major theme which the Brussels party should debate is the continuation of its participation in the government and if so how far the ministers of this party will go.

Thus on Monday night Wilfried Martens will know whether he will be able to forge ahead with the same partners and appear before the Parliament Wednesday with a truly homogeneous team. In order to reinforce the latter, taking into account the departure of the minister of national defense, Paul Vanden Boeynants, who has become the president of the Christian Social Party [PSC] and that of Antoine Humblet, which is presented as is eminently probable, the prime minister could proceed to a small cabinet reshuffle on Monday. Thus, the nomination of Jose Desmaret (a PSC member of the CEPIC [Political Center of Christian Independents and Cadres] faction, from Brussels) to the post of minister of national defense is being presented as quasi-certain.

This Monday's work will be equally very important with respect to another point: social security reform, a theme which, incidentally, was frequently brought up Sunday at the socialist congress. In the morning the ministers should come to an agreement on their position in order to meet social interlocutors in the afternoon.

9380

CSO: 3100

COOLS TAKES PS CONGRESS TO TASK

Brussels LE SOIR in French 16 Oct 79 p 2

[Article by Jacques van Solinge: "The Ambiguities Have Not Been Dispelled"]

[Text] Five hundred votes (85.0 percent) for Andre Cools and Philippe Moureaux's motion, votes (10.2 percent) for Ernest Glinne and Jacques Yerna's motion, 23 abstentions (3.9 percent). These are the results of the vote closing the extraordinary congress held Sunday in Brussels by the Socialist Party [PS]. In principle, the stakes have bearing on the conditions for the participation of French-speaking socialist in the government. But no one had explicitly demanded the immediate withdrawal of the PS ministers and secretaries of state from the government.

And Sunday's congress, following that held on Saturday, 6 October at Tournai, should in principle have clarified the internal situation of the socialist movement. Despite the apparently perfect results of the final vote, the ambiguities remain. In fact, Leburton, who again finds himself voluntarily or carried by events at the head of a "moderate" faction or sentiment within the PS, had not presented a motion. Better yet: its Huy-Waremme federation voted solidly for Cools and Moureaux's text (35 votes versus 3 and 3 abstentions). Thus the former prime minister did not want to create conditions admitting the evaluation of the numerical importance of the political sentiment which he supports and embodies within the socialist movement.

Undoubtedly it is for this reason that in his final reply Andre Cools manifestly spared Glinne—who had presented his own motion—in order to reserve the main point of his attacks for Leburton.

To somewhat schematize the official part of the party, let us say that Cools and Moureaux's motion favored continuation of participation in the government, while insisting on the necessity of respecting as scrupulously as possible the parallelism between the vote on the bill on budgetary proposals for 1980 and that on the second phase (called transitory and irreversible) of government reform. The same text further invited militant socialists to abstain from "alarmist resolutions injurious to the

cohesion and interests of the entire socialist movement." This was clearly aimed at the two minority groups, Glinne's, on the left and Leburton's, on the right.

As for Glinne's motion, it did not explicitly call for the resignation of the socialist members of the government. It implied, however, the reexamination of the budgetary proposals for 1980. Moreover, in defending the text of his motion, Glinne energetically defended himself against being anyone's joint target. He responded in this way to those who accused him of wanting to make common cause with Leburton against Cools and the overwhelming majority of bureau members. In fact, it would be dangerous for the leaders of the Socialist Tribunals group to make major concessions to the governmental partners in budgetary and social matters under the pretext of getting the uncertain vote on the second phase of the governmental reform.

For his part, in defending Cools and Moureaux' motion Herve Brouhon called for strict parallelism between the treatment of the socio-economic and community records.

It will be noticed, moreover, that the spokesmen of several federations have developed viewpoints very close to the arguments developed by Glinne and Yerna while rallying solidly behind the motion of Cools and Moureaux. On the other hand, several intervening parties passing--rightly or wrongly--for being close to the "Leburtonian" theses have defended the majority motion while regretting the paragraph relating to "alarmist declarations."

Edmond Leburton explained why he had not presented his own motion. "In a democratic party," he declared, "it is important not to reduce debate to simplistic diagrams. I have never demanded the withdrawal of the socialist ministers, because that would start a very grave political crisis. But everyone must retain the right to express his advice on the administration and policy of the government." And the former prime minister recalled his fears as to the fate of our social security system. In his opinion, by devoting too much time to institutional problems, they have not turned soon enough to what the people consider vital.

Speaking in the same vein, Richard Stievenart, a member of the permanent deputation from Hainaut, called for "absolute priority" for economic and social problems. In his opinion the public scoffs at regionalization because it no longer understands anything about it.

Taking another position, Jacques Yerna posed the question of whether the congress should be asked to approve today budgetary questions which will be known only tomorrow.

As for Philippe Moureaux, spokesman for the Brussels Federation, he feels that the declarations of certain leaders of the party were of a nature to undermine the climate of confidence which must continue within the party

bureau. He then responded to the idea of a dual Belgium (Brussels rejoining Wallonia) as developed by Francois Martou, a member of the FDR bureau at the last colloquium of Free Wallonia. The opinion of Bruxellois, French-speaking or Dutch-speaking, who do not consider themselves to be Walloons must be taken into consideration. "And then Mr Martou should think in terms of arithmetic. If you consider the problem of political alliances, the FDR is no longer a necessary partner in a dual Belgium."

The posture adopted by the small Luxembourg federation, the only one to have accorded preference to Glinne and Yerna's notion, will be noted. Not only does this federation consider itself underrepresented in the socialist ministerial departmental staffs but it is also confronted with the grievous problem of the South Luxembourg steel industry.

Finally, it remains to Andre Cools to respond to the various intervening parties. Like many of his predecessors at the tribunal, he is worried by the threats to democracy: "Why to the magistrates think it is not possible to act against fascist private militias in terms of the 1934 law when this law has already been applied against strikers?" The present trend toward apoliticism must be combatted."

The president of the PS then criticized those who attack the government as a whole without specifically naming the guilty parties. "I am not criticizing those who are giving warnings but the manner in which certain people are imputing and presenting event." He then admitted that the majority motion in no way constitutes a blank check to the socialist members of the government. But it must be admitted that in voting for participation in the government last May everyone was aware of the threats to social security.

In Cools' opinion the Martens government is the last chance government. "I warn the congress and the entire country that I will no longer negotiate for the formation of a new government if the present team should fail."

The PS president concluded by deploring the socialist activists' lack of confidence in themselves. "We are not sufficiently couching our struggle in terms of power. Our efforts have too much bearing on material and daily problems and not enough on the middle term, on taking charge of new forms of struggle. We have progressively enlisted in neocapitalism and we have ended by becoming its defenders."

Finally, Sunday's congress in Brussels is undoubtedly more unfinished than the one which took place the preceeding weekend in Tournai. So it is undoubtedly in the hope of clarifying things at the risk of settling into a state of "permanent congress" that the socialist leaders envisage carrying over into January the congress which is set for next month and which should make possible statutory reform and realization of the party's program. Such a carry over should make thorough discussion possible within the federations of divisions as well as within the local sections. At least this is Cools' wish.

9380

CSO: 3100

MARTENS PRESENTS STATE REFORM PROGRAM TO PARLIAMENT

Brussels LE SOIR in French 18 Oct 79 pp 1, 2

[Article by Dv: "Wilfried Martens Thinks State Reform is Well Underway"]

[Text] The main emphasis of the report which Wilfried Martens made to parliament on Wednesday was moderate austerity in financial and economic matters and strict execution of the government agreement, both regarding content and the schedule of reforms proposed. It is hoped to complete the second stage of state reform before the end of the year and to still achieve final reform during this session of parliament.

We find few new ideas in this long report, three-quarters of which concentrated on socioeconomic problems and one-quarter on community questions. However, a difference in tone is observed in the two sections, with the words of the second being carefully weighed. It should be pointed out that, while the term parallelism does not appear anywhere in the text--nor in the government statement, besides--the desire to operate in the two fields simultaneously is obvious in the aims expressed by Wilfried Martens, who, in conclusion, asked the majority groups to unite with the government to carry out the program.

Economic Prospects

The prime minister began his survey of the situation in the economic sector. Compared with those of other countries, he says, the recent accomplishments of the Belgian economy have been far from poor. Our rate of inflation is only 4.6 percent, compared with an average of about 10 percent for all the EEC. Industrial production is expanding briskly and our trade balance is improving progressively. Nevertheless, this improvement is not of a nature to cause us to slacken our efforts. It is unstable and deficient. It is inadequate because it has not influenced the level of unemployment.

Perhaps it will be possible to blame the government because the situation is not very satisfactory, he says again, but it will not be possible to blame it for not having done anything to improve it. He also suggests three priority fields of action: new emphasis on social consultation, monetary and budget policies, and energy and industrial policies.

Regarding the first point, designed to provide balanced solutions to give new impetus to employment, Martens indicates where we are now. He mentioned, among other things, the plan designed to create 20,000 new jobs per year from 1980 on, an especially important plan, when we realize that one unemployed person costs the state an average of 256,000 francs per year. A reduction of 125,000 francs in social security revenue should be added to this.

Martens points out that, in the case of sickness and disability insurance, the plan envisages about 19.5 billion in economies for 1980 and 5 billion in new income through the adjustment of some contributions. The economies are distributed uniformly among the care providers, the pharmaceutical sector and the insured and the mutual insurance companies. On Friday, the government will inform the social partners about its policies regarding the fundamental revision of social security. The government will make every effort to satisfactorily conclude the consultation before the end of October, so that the revision measures which affect the budget and which require changes in the law may be included in the legal program.

Moderate Austerity

The prime minister continues, in the case of its budgetary policy, the government has chosen the difficult way out, namely moderate austerity. He confirms the desire to restrict increased public expenditures and to progressively decrease the needs for state financing. While the expenses for the public debt will increase by 25 percent from 1979 to 1980 and expenses connected with unemployment, 11 percent, all the other current expenses will only rise 5.7 percent or less than the expected rise in prices of 6 percent.

He emphasizes that this policy will not be popular. However, the question is not to ascertain whether this policy is popular, but to decide if another policy is feasible. Austerity is required of us and will be required for several more years. The state must set a good example in this matter. Budgetary austerity also determines the franc's stability.

Energy Supply

Another item is energy. If a radical choice must be made in the present session, it is that of energy policy. It is based on conservation. Moreover, it will concentrate on greater supply security, especially in the sensitive petroleum sector. The new contract program is designed on this basis, as well as the direct state to state negotiations with Saudi Arabia and Algeria.

An enumeration of the efforts made to reorganize our important, long-established branches, iron and steel smelting, the textile and ready-made clothing industry, ship building and the glass industry then follows. And he brought up the hopes for the future operation of the new Industrial Renovation Fund, an important instrument of economic rehabilitation made available to the regions.

State Reform

The second section of the report is devoted to insitutional reforms. Martens points out that the first stage of state reform is practically completed. The government set for itself the goal of seeing the four ministries of the communities and regions in operation by the end of the year.

As regards the second stage, the two proposals are under consideration by the senate. Therefore, it is up to parliament, although the government will play an active role. For it is still possible to successfully complete the second stage by the end of December. If final reform is desired during this legislative session, it seems obvious that parliament must begin soon to discuss the main options of the final stage.

Incidentally the prime minister announces that a royal decree, which settles for all the communes on the linguistic frontier, the problem of the distances which determine the establishment of a school for the other language and a decree intended to prevent any dispute about the procedure to follow on the subject have been sent to the united chambers of the Council of State.

He also observes that the governmental agreement does not have any commitment about changes to be made in the statute of the communes granted a special linguistic statute. Meanwhile, the commission for the harmonious coexistence of the communities will continue its work and perhaps will reach an agreement.

Martens finally refers to some special problems: the struggle against the escalation of violence which threatens to disturb good relations between the communities, the failure of the Euro-hospital system, where the government is awaiting the results of the legal and financial inquiries in progress, Zairian policy and the government's position regarding nuclear weapons in the theatre of operation. The last problem will be brought up in the Council of Ministers next December. Along with this, efforts in favor of disarmament and armaments control, compatible with security requirements, will be continued.

8490

CSO: 3100

MARTENS PRESENTS PROGRAM TO PARLIAMENT

Martens Registers Success

Brussels LE SOIR in French 19 Oct 79 pp 1-2

[Text] The prime minister definitely registered a success on Wednesday when he presented his program to the Chambers. At least, that was the impression one gained Thursday morning from contacts with most of the majority parliamentary groupings. Naturally, the Socialist Party and the PDP [Democratic Front of Brussels French Speakers] remain circumspect. In the debate scheduled to follow Martens' report, they will reaffirm their concern over ensuring the application of institutional reforms applied with as much diligence -- and at precisely the same time, the socialists specify -- as the economic austerity measures.

But it is above all the reaction of the CVP [Social Christian Party] that commands attention. Moreover, is that not the principal target of the prime minister? In this connection, it has been observed that the Flemish Social Christian senators in particular strongly applauded Martens. This is important when one realizes that the institutional debate is to begin in the Senate and that the CVP has a majority there in the Flemish group, enabling it to block the operation.

What is more, the CVP group in the Chamber has somewhat forced a rather hesitant Leo Tindemans to take the floor on Thursday to express the party's reaction. Naturally, the president of the CVP will pose certain questions that are embarrassing to the prime minister and Jan Verroken will question him on the Flemish school that was turned down in Comines, but on the whole, one can say that the Flemish Social Christians should mark their support for the program defended by Martens. Is this not essential for the government?

The general trend was obviously positive in the CVP groups, we were told. The prime minister himself was surprised by the warmth of the applause in his group, especially on the benches of the Senate.

The Chamber group unanimously insisted that the party's president, Leo Tindemans, speak himself as the only representative of the group. After

some hesitation, the former prime minister agreed to do so. We were told that he will emphasize the different positive aspects of the governmental communication and will insist on respect for the agreement linking the majority parties.

However, Tindemans was asked to demand certain clarifications, particularly concerning the precise schedule for the second and third phases of the government reform and the government's intentions with regard to the Flemish school to be set up in Comines. Tindemans will reportedly condemn certain gaps in the presentation, particularly with regard to education. He will allegedly express his regret that Martens' speech does not contain a word on school problems.

In the PSC group, the discussion was rather short. Paul Vanden Boeynants committed himself to defending the overall line of conduct outlined by the prime minister. He might also evoke a new trend in the Social Christian ranks following the "personal" statement by Minister Michel Hansenne on the timeliness of merging the Walloon and Brussels institutions. The PSC is reportedly in favor of a modification of the text, but on the condition that there be a general consensus on this point in the different French-speaking parties of the majority. In addition to Vanden Boeynants, Joseph Michel, a former minister and future leader of the PSC group in the Chamber, was chosen to make a statement on the subject of the social conflict in Athus.

Socialist Party Reaction

In the Socialist Party, Herve Brouhon, head of the group in the Chamber, explained that the reaction of his party, to be expressed by Andre Cools, will be along the line of the last party congress -- that is, an agreement to accept certain sacrifices on the condition that they first of all affect those who are most able to bear them. For the rest, absolute fidelity to the government's program, particularly regarding social affairs and structural reforms.

As for regionalization, it is a question of respecting the parallel structure of the second phase of institutional reforms and budgetary measures in the program law. Brouhon states that this simultaneity implies that work be done with the same diligence in the Chamber, on the ways and means budget and the program law, and in the Senate, concerning reforms.

Emphasis must still be placed by Cools on the problem of freedoms and on the socialists' impression that there are two weights and two measures in the attitude of the judicial authorities.

For the rest, Brouhon was relatively satisfied to see the prime minister reaffirm the government's intentions and its determination to carry them out. As a sign that there are undoubtedly still some reservations in the attitude of the socialist group, Marcel Remacle will question the government on recent events in Luxembourg Province.

Bastille Risopoulou, head of the FDP group, told us that he is reaffirming the loyalty of his group to the government's efforts along the line of the Egmont Pact and the government's declaration of last April.

For him, this declaration is the foundation of the current team's action and he intends that it be respected so as not to compromise the execution of indispensable measures in the economic, financial and social sectors affecting our well-being. He concluded by saying that at any rate, the fate of Brussels and the French-speaking people living there remains the prime concern of the FDP.

Among the Flemish socialists, the first reactions are also positive. They are especially content with the spirit of perseverance motivating the current governmental team.

With regard to social security, the orientations set forth by the prime minister indicate an improvement compared with the Califice plan, it is thought. Nevertheless, there remain some weak points on more specific questions (bearing medical costs from the very first days of hospitalization, the increase in the regulating ticket, the fate of retired persons).

On the community level, the BSP [presumably PSB - Belgian Socialist Party] believes that the spirit of the governmental agreement should win out. Louis Tobback, head of the group, will speak during the debate.

Martens' Speech

Brussels LE SOIR in French 19 Oct 79 p 2

[Text] When one goes over the text of the speech which the prime minister delivered in the Chambers on Wednesday, one discovers all its political shrewdness. He uses a clever formula to make a set of economy measures and restrictions pass as "reasonable austerity," trying to attenuate reactions to what are necessarily unpopular measures. "Reasonable austerity" implicitly presumes that one is unreasonable not to accept it!

With regard to the reform of institutions, the other big political issue in his speech, Wilfried Martens sends the ball back to Parliament. The government has done its work, he says in substance, for the second phase of the regionalization. It will certainly continue to play an active role, but Parliament must rapidly begin the discussion of the final phase that should still be completed during the legislative session.

He avoids using the word "parallelism," but he hints that his team is willing to wage a direct fight for economic recovery and the reform of institutions. He may thereby unleash the great anger of the Walloon socialists and the FDP, who demanded this "parallelism" without directly confronting the CVP and the Flemish socialists.

He opens a safety valve in the linguistic domain by announcing that it will probably soon be possible to set up schools of the other linguistic group in communes along the language border. This gives the Flemish the prospect of seeing a Flemish school opened in Comines and perhaps elsewhere, provided that the criteria are respected. But he opens up the same right for French-speaking people. He also announces firmness with respect to private militias, which tends to create a certain relief on the part of the Walloons because it is mainly the paramilitary groups of the Vlaams Militanten Orde that are in question and the shock troops of the Taal-Aktie Komitee. It should be emphasized that this passage from Martens' speech was applauded by the representatives of the Volksunie. The Flemish nationalist party is therefore publicly marking its distance from the violence of Flemish extremism.

Martens also shows that he is a shrewd tactician when he generalizes all the controversial points in his statement. Thus, he can ask the groups in his majority for a vote of confidence on all points. If he had allowed a series of questions to develop on various points, he would undoubtedly have seen dangerous splits occur in the majority in the course of the separate votes. Generalization palliates the dangers of division. It is a good tactic on the part of the opposition to point out how undemocratic it is not to be counted on the delicate questions. In other words, the government's plan is not to "divide and conquer," but to "generalize in order to govern"!

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CSO: 3100

CYPRUS DAILY COMMENTS ON ECONOMIC EMBARGO, TRADE WITH ISRAEL

NC211400 Nicosia O AGON in Greek 21 Nov 79 p 1 NC

["My Opinion" column by the observer: "Arabs, Israel and Cyprus and All About the Economic Embargo Against Israel"]

[Text] We respect the Arab peoples and we support their cause wholeheartedly. Ties of common struggles bind us to the Arab world. They helped us materially and morally in our own difficult moments. And in their difficult moments we returned the help that they gave us with our small means.

At the same time we condemn the Israeli policy, their occupation of Arab territories and their depriving a whole nation--the Palestinians--of the right to acquire its own fatherland.

Based on these facts we have excellent relations with every sector in the Arab countries. In contrast our relations with Israel are simply typical.

The fact that we are friends of the Arabs does not mean that we must cut all relations, contact and transactions with the neighborly Israel people. Nor must we ask to behead any Cypriot who trades or maintains economic relations with Israel.

Nevertheless we cannot understand the noise surrounding contracts signed between the Larnaca Municipality and an Israeli firm for drawing up the [master] plan for the town's sewage system.

Some people ask the government to behead the Larnaca Municipal Council and at the same time demand that Cyprus impose an economic embargo on Israel.

These are extreme positions.

Firstly, it is not right to throw full responsibility on the municipal council. It would have been naive to believe that the council acted on its own initiative alone and left the government in ignorance. Logically the government or its authoritative organs should have known and should have been briefed on the contract being given to the Israeli firm.

Then again it is impossible to ask Cyprus to impose an economic embargo and sanctions on Israel when the Arab countries have not done either against Turkey. Exactly on this point the great inconsistency shows itself.

Cyprus is asked to impose an economic embargo on Israel while there is none from the Arab countries on Turkey. On the contrary the Arab countries promote their economic cooperation not only with Turkey but also with Denktas. The export of stolen Cyprus products to Arab countries--the "Trouva" case [no further elaboration possible]; the employment of Turkish-Cypriot workers in Libya are some but not the only examples of Arab-Denktaş cooperation.

We would have dared to say that a Cyprus economic embargo on Israel would have been justifiable if simultaneously the Arab countries would have honored their obligation to impose an embargo on Turkey. However, so long as there is no Arab embargo on Turkey there can be no reason for a Cyprus embargo on Israel.

CSO: 4908

HEINESSEN LEAVES CABINET, LEADS SDP PARLIAMENT

Copenhagen BERLINGSKE TIDENDE in Danish 27 Oct 79 p 1

[Article by Lisbeth Knudsen]

[Text] "The day I'm 60 I hope I'll laugh and sing and pick apples." This casual remark made during one of his many days in office by a busy and outwardly formal minister of finance led his colleagues to present him yesterday as a farewell gift an apple tree and the hope that the rest of the wish would also be granted.

But 47-year-old Knud Heinesen still has a long way to go before he gets to 60 and even though he has now left the Finance Ministry to become group chairman for the Social Democratic group in parliament he has not said goodbye to being a minister again sometime. He wanted a break--and got it despite opposition from Prime Minister Anker Jorgensen who offered Knud Heinesen other cabinet posts besides that of finance minister in an effort to keep him in the government. One of the offers involved the position of foreign minister. Knud Heinesen turned that down too but it is on the foreign policy level that the new Social Democratic group chairman would like to expand his interests so it is obvious that he will be a ministerial candidate in future government formations.

Free Time

Knud Heinesen was so busy yesterday saying goodbye and hello at the ministry and the group secretariat respectively that he had to hold his farewell interview in the ministerial staff office because the new minister needed to use his old office. Knud Heinesen denied that poor health or unfulfilled political demands to the prime minister had led him to pick up his things and go. On the contrary, he underlined the point that he had asked the prime minister if he could step down three-quarters of a year ago. Of his own justification for leaving at this time Heinesen said:

"I have been a minister for 7 years altogether, serving 3 of those years consecutively. So I don't think it's so odd that I would like to have

some time in which to cultivate my many other interests. I would like to read--to have time to think, and they say it's interesting to have enough time to go to a concert or an art show."

In answer to a direct question as to whether he would consider returning as minister of finance he said: "I haven't ruled that out." He emphasized that it was one of his closest friends he himself had recommended to succeed him in the Ministry of Finance, former Minister of Fisheries Svend Jakobsen and that he himself had not wanted but had been asked to fill the post of Social Democratic group chairman. In response to a direct question Knud Heinesen confirmed that he had been offered other ministerial posts in the new government but had declined.

Self-control

A book on "self-control through nerve control," recommended by Niels Foss in his memoirs is one of the secrets behind Knud Heinesen as the public knows him. "The natural authority," he was described by Finance Ministry undersecretary Erling Jorgensen yesterday in his farewell speech to the minister. The public knows Knud Heinesen as the "mathematical computer," the "government's adding machine" and the prime minister's economic adviser. In August he got through to all of us with his speech about how serious the economic situation was, including the announcement that this development would not continue with him as minister of finance.

Pause

Whether or not developments continue that way is partially up to the new finance minister but Knud Heinesen has stepped down. It was obvious throughout the morning yesterday that his decision had created panic in the prime minister and many members of the parliamentary group. Knud Heinesen has backed a very drastic economic cure to be applied uniformly to various social groups. He had an authority over other members of the government and over LO [Danish Federation of Trade Unions] which the prime minister will miss in some areas but will occasionally be able to draw on due to Heinesen's new position as group chairman. It is obvious that Knud Heinesen has his doubts whether the policy the new government can implement will be sufficient. He expressed hope that it would be when he wished his successor, Svend Jakobsen, good luck with the ministry yesterday. He also hoped that Svend Jakobsen would remain as finance minister for a long time and that is probably the other area in which Knud Heinesen has his doubts, the ability of the new government to work with parliament.

Return

Perfectionism and self-control have dominated Knud Heinesen's work so much that the secretary in his outer office, Kirsten Bendix, said in her farewell speech to the minister: "I might have wished for an explosion

once in a while but one never came." Knud Heinesen's hopes for his life after he reaches 60 reveal a side of him known only to his closest friends. It is a different Knud Heinesen without the cloak of technology in which he wraps himself every time he has to teach us about economic problems. He has had very little time to cultivate his interest in art, culture, reading and theology. The only times he has managed to pursue anything were when he barricaded himself in his summer house in northern Sjaelland. The thinking he wants time for now could only occur in the past on his almost daily long bicycle rides along the coast road.

A finance minister who in the words of his own undersecretary had achieved an authority among the people on a level with that of Thorkild Kristensen and Viggo Kampmann has said goodbye--but he will probably be returning in another cabinet.

6578

C50: 8113/0243

NEW ECONOMY MINISTER EXPLAINS INCOME POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 29 Oct 79 pp 1, 12

[Article by Frank Dahlgaard]

[Text] The government will try to avoid new increases in the value-added tax and other taxes but will not rule out certain economic solutions in advance.

That is what the new finance minister, Svend Jakobsen, told BERLINGSKE TIDENDE and both he and his colleague, Economy Minister Ivar Norgaard, said that the government's first priority now is to present a total income policy solution. The earliest date this could happen is when the new parliament assembles for the first time on Tuesday, 6 November.

Finance Minister Svend Jakobsen said: "A total solution based on an income policy involving all social groups will be an essential element in the deliberations beginning today, Monday. I completely agree with National Bank director Erik Hoffmeyer when he says (in our Sunday edition, ed.) that an income policy is preferable to higher taxes and fees. We still intend to find an economic solution that limits income development. Employment considerations argue against a new fiscal austerity policy and therefore people should not assume that we will present proposals on further increases in the value-added tax and other tax items."

Income Ceiling

Economy Minister Ivar Norgaard said: "We are quickly setting up discussions on the situation and all I can say now is that we will present a broad range of plans to ease the economic situation. It is clear that prices and incomes will be included in our deliberations and in this area the government feels that all groups of the population must help shoulder the burden. Only very weak groups, such as pension recipients, should be left out."

Ivar Norgaard also said that any income policy should be aimed at holding income developments in Denmark below a ceiling determined by income developments in neighboring countries. Not only income from wages but also income from professional self-employment and banks and savings institutions (margin of interest) should be included in a future total solution, the economy minister said.

National Bank director Erik Hoffmeyer told BERLINGSKE TIDENDE yesterday that the 1980 balance of payments deficit should be reduced by 3 or 4 billion kroner compared to the 1979 deficit. Commenting on this Finance Minister Svend Jakobsen said:

"The government will not set a precise figure now but it is important to get some improvement in the balance of payments as soon as next year. But it is even more essential to make changes in economic policy now that will guarantee a permanent reduction of the balance of payments deficit over the long run."

Svend Jakobsen also said that the government will keep the tax percentage for 1980 state taxes at 90 percent and that as promised before the parliamentary elections personal deductions for next year will be increased an extra 300 kroner.

This means that all the tax cards sent out to Danish citizens a month from now will show a deduction amount that is a little too small (more on this on page 5).

Both the economy minister and the finance minister told BERLINGSKE TIDENDE that the government will start formulating economic policy today and that no "time table" can be set up before then. The government move [line omitted] and therefore nothing will happen until the new parliament meets for the first time 8 days from now.

Neither of the ministers would talk about the plans to discuss economic policy with union representatives. But talks with LO [Danish Federation of Trade Unions] are expected this week. Surplus distribution, taxes on increased value and tax reform will play an important part in the talks.

Brink 2 or 3 Years Away

On TV yesterday the former minister of finance, Knud Heinesen--now chairman of the Social Democratic parliamentary group--painted a very gloomy picture of Denmark's economic situation:

"We are heading toward an economic catastrophe and if nothing is done about it Denmark's ability to take out foreign loans will deteriorate. It is extremely urgent that we solve the problems now."

Heinesen said we are 2 or 3 years away from the brink by which he meant that in 2 or 3 years we risk having our economic policy dictated from outside unless the economic course here at home is changed.

"It would be totally ridiculous if one of the richest countries in the world brings itself into a situation where the International Monetary Fund has to set conditions for Denmark's economic policy," Heinesen said.

Knud Heinesen made it clear that a very tight economic policy would be necessary for the next decade. If we try to handle the economic problems of the nation by income restraint alone real incomes would have to go down several percentage points a year for a number of years, Heinesen said. Therefore income policy cannot stand alone.

"I have not run away from any responsibility by leaving the government. I have told the prime minister I would help form future economic policy and it will be my task as group chairman to gather a majority in favor of this policy. I will regard it as a personal defeat if this does not succeed," said Knud Heinesen.

6578

CSO: 8113/0244

WEST BERLIN DEPORTS ARABS REQUESTING ASYLUM

Bonn DIE WELT in German 7 Nov 79 p 4

[Report by Diethart Goos, Berlin]

[Text] For 7-8 years they fought grimly and to the last glimmer of hope for asylum in Berlin--appealing to the highest authorities. Now that all legal resources have been exhausted, 150 Arabs are faced with imminent deportation.

The authorities are obviously ill at ease in preparing for this first major deportation operation involving unsuccessful Arab requests for asylum. Talking to the WELT Hans F. Birkenbeul, spokesman of the Interior Senator, firmly rejected the imputation that his office was planning a mass action against unwelcome Arabs. "Every case is handled as an individual deportation order once the court decision has been handed down."

This attitude does not meet with understanding in every instance. In fact the Interior Department fears a "wave of misguided human sympathy." The authorities' hands have been tied by legal regulations. There is little scope for the exercise of discretion.

"We must take care that no precedents are created. That quickly gets around and would cause a tremendous influx. We are already perilously close to the limit of what we can absorb in regard to applicants for asylum, in fact to some extent we are already beyond the limit." That is the view of the Interior Department's spokesman.

Berlin is exercising increasing powers of attraction on those seeking asylum. In 1978 33,000 people requested asylum in the Federal Republic, 15,173 of these arrived in West Berlin--usually by way of Schoenefeld, the East Berlin airport. They include 6,282 applicants from the Arab region. Three thousand of the applicants, including 2,000 Arabs, stayed in Berlin. "By late December we in Berlin will be close to last year's figures," Birkenbeul explains. Up to 31 October 8,562 applicants were registered, including 4,809 Arabs.

Lebanese and Palestinians predominate in the Arab contingent. It is quite obvious even in the course of their first hearing at the immigration authority that they are mainly "economic refugees."

It is not to be expected that the Arab applicants for asylum include many PLO sympathizers, let alone members of this terrorist organization. According to the Senate Interior Department these tend to be recruited from the estimated 4,000 illegal Arab residents in Berlin. "That is a dangerous potential for the PLO."

11698

CSO: 3103

WEST BERLIN MAYOR: DIRECT CONTACT WITH GDR NOT NECESSARY

Born DIE WELT in German 5 Nov 79 p 3

[Text] Berlin's governing mayor Dietrich Stobbe (SPD) spoke of his reservations regarding the progress of inner-German detente. On the "Deutschlandfunk" Stobbe stated yesterday that he would be somewhat optimistic with respect to inner-German affairs only if they were to continue in circumstances similar to the ones now prevailing.

Stobbe said that he did not disregard the dangers which might threaten on the international scene. "Inner-German affairs may look very different indeed if the SALT II Treaty should fail to be ratified by the United States." The debate on the equipment of Western Europe with intermediate ballistic missiles also would affect the international climate.

He agreed, though, with the Federal Government that the regional imbalance in the area of intermediate ballistic missiles is forcing NATO to adopt counter measures. Stobbe does not currently see any need for direct contacts with the GDR leadership. Still, the recovery of the local negotiating level between the two sectors of Berlin is a worthwhile goal in his opinion.

Following the latest threats by GDR Council of State chairman Erich Honecker, Olaf von Wrangel, German political expert of the CDU/CSU, called for the investigation of new agreements with the GDR in "the light of the twilight into which Honecker has thrust inner-German relations." In yesterday's BERLINER MORGENPOST von Wrangel also stated that any agreement with the GDR would have to include a reinsurance clause by which the Federal Government would be able promptly to stop all payments if treaties or agreements were to be breached.

Werner Marx, foreign affairs spokesman for the CDU/CSU, sharply criticized the agreement with the GDR concerning the easing of road traffic. In an interview with WDP Marx remarked with respect to the DM50 million lump sum that this "excessive" amount was also "hiding" a compensation payment to replace the road use fees formerly charged by the GDR for the passage of trucks, while the Federal Government had completely forgiven the payment of corresponding fees for trucks from the GDR. Marx claimed that difficulties in tourist travel had been caused only by the GDR which "constantly gets the Federal Government to buy it off with more tax moneys."

CDU, CSU WAR AGAINST ARMS DIALOG WITH GDR

Bonn DIE WELT in German 7 Nov 79 p 2

[Text] The Union has proclaimed "considerable reservations of a basic as well as a practical nature" against the inclusion in the inner-German dialog of the topics disarmament and arms control. In Bonn yesterday disarmament spokesman Alois Hertel stated that the Federal Government must more than ever be concerned, for reasons of alliance loyalty, not to incur the suspicion of unilateral defense political forays. A bilateral dialog Bonn-East Berlin, he claimed, would in fact be a bilateral dialog Bonn-Moscow because in matters of defense and arms limitation the GDR was an obedient mouthpiece of the Soviet Union. Hertel thereby clearly contradicted FDP parliamentary group chief Mischnick who had said the day before that basic issues of arms control and disarmament should not be excluded at inner-German level.

The CDU politician also expressed the fear that, in the course of such talks, detente and human relief could be made an "inner-German handle for blackmail" with respect to fundamental Western defense interests. Moscow and, in particular, East Berlin had for some time past threatened to link the maintenance and extension of inner-German relations, especially in the realm of human relief, with the Federal Republic's attitude to NATO decisions on rearmament.

Hans Graf Huyn, CSU Bundestag deputy, also spoke up yesterday against any disarmament negotiations with the GDR. In his opinion SED chief Erich Honecker's wish for "separate inner-German negotiations on disarmament and defense issues" is no more than an attempt once again to try and estrange the Federal Republic from its Western partners.

Manfred Woerner, defense spokesman of the Union, also rejected the assertion that NATO would be damaged or even break up altogether if the SALT II Treaty were not to be ratified. "Such a claim is neither logical nor politically tenable," said Woerner. "Whatever our attitude to the SALT agreements: Nobody in the Federal Republic would even consider quitting the Atlantic Alliance or have less confidence in it if the American Senate were to fail to

ratify SALT II. NATO can and will live on with or without SALT II and will have to carry out its obligations.

In a joint statement the Young Socialists and Young Democrats have accused the Federal German Government of a "contradictory and hesitant attitude" in the discussion about arming the West with intercontinental ballistic missiles. Yesterday in Bonn both party youth organizations emphasized that the "ranting about the threat" to Western Europe by the Warsaw Pact countries was intended solely "to con" the Federal Republic into accepting "an aggressive defense policy." In their opinion the political situation in Europe obligates all those involved to disarm, not rearm.

German NATO Ambassador Pauls warned that Moscow was using its military might for political ends. In Brussels Pauls said the language used by Moscow in its latest declarations and attacks on Western "rearmament" in Europe would "have been ineffective if it were not backed by increased military might." According to him it would be an illusion to believe that it is possible with empty hands to enter into any negotiations with the Soviet Union regarding the limitation of rocket weapons in Europe. It would be dangerous to omit any reaction to the new Soviet rocket rearmament.

The SED again attacked Federal Foreign Minister Genscher, accusing him of "adopting false premises in matters disarmament." Yesterday the party organ NEUES DEUTSCHLAND claimed that Genscher was trying to prove his assertion of the necessity for NATO to rearm by counting out the opposing military forces of the Soviet Union and Europe while disregarding those of the United States. Despite the appropriate clarification from Bonn NEUES DEUTSCHLAND went on to claim once more that Apel--in contrast to Genscher--considers that an approximate military balance prevails between East and West.

11696

C30: 3103

CDU BERLIN CHAIRMAN AT CONGRESS IRKED OVER YOUTH DEMANDS

Born DIE WELT in German 5 Nov 79 p 2

[Report by Diethart Goos, Berlin]

[Text] The 2-day discussion in the Berlin Congress Hall (located near the Tiergarten, now resplendent in autumnal colors) was to be a reflection of the harmony and unity in the Land federation of the Christian-Democratic Union of Germany. At least that was the intention of the leadership. However, this 63rd Land congress was stamped by rank and file discontent and anger with the CDU establishment. The "young reformers" had their first major fling.

For hours last Saturday Peter Lorenz, the old and the new Land chairman, sat morosely on the dais of the large auditorium, his arms tightly folded across his chest, in the forefront above him the inscription in huge red letters: "Our plank for Berlin." For a long time no CDU Land Congress had witnessed the kind of hot tempered accusations launched from the rostrum against him and the entire senior leadership.

Like his companions Lorenz was surprised and irked by the extent and virulence of these attacks. The Land chairman (57) has now been in office for 10 years. The evening before he had attempted to take the wind out of the sails of the disaffected faction by severe autocriticism and unusually frank statements on the condition of the Berlin Union. Still, it was not enough to appease the "young reformers" who account for about one third of the 358 delegates.

The full extent of the rivalry and mistrust now prevailing was revealed by the motion asking that voting booths be erected for the many ballots necessary for the nomination of Berlin CDU Bundestag deputies and their reserves. Though a large majority voted against the motion, the party presidium submitted to the minority demand.

Life president Johann Baptist Gradl, a Bundestag deputy since 1957, did not choose to save himself and his friends from an embarrassing defeat. Only

121 delegates voted for his return to the new Bundestag; 224 favored Joachim Kalisch, the much younger Tempelhof city councillor for health affairs.

The presidium had hoped that the "young reformers" had let off steam at the Friday evening attacks. However, the delegates recruited from the Young Union (5,000 members strong among the 15,000 CDU members) continued their campaign the second day also.

Undemocratic preparation of the imminent personnel decisions, lacking readiness to begin a dialog with the young generation, the CDU's inadequate commitment to employees--especially blue collar workers--these and other accusations fairly rained down on the leadership.

The uproar was only somewhat moderated by the adroit manipulation of the agenda and the anticipation of the speech by top candidate Richard von Weizsaecker. The cool baron and his polished phrases, speaking at times in his capacity as the challenger of the social-liberal Senate coalition, at others in that of president of the Protestant Church Assembly, finally succeeded in calming tempers.

He said that all of them still faced the task of peacefully overcoming the division of Europe and keeping open the option for Berlin once more to be the capital. For the free world it was crucial for the advance post Berlin to be maintained and for the city to remain viable.

At the same time Weizsaecker (who was rapturously applauded) urged and warned his friends: "On no account must Berlin become the permanent political welfare client of the Western world. Instead it must use its sufferings to develop the strength for setting an example to others."

Following this speech Richard von Weizsaecker is now the undisputed leader of the Berlin Union. Many delegates, though, blame him for rejecting the Land chairmanship and leaving Peter Lorenz in control for another 2 years. In the end there was no change on the executive. The reformers did not manage to place their candidate, Volker Hassemer, on the leadership body.

In an interview with DIE WELT Joachim Krueger, elected Land chairman of the Young Union a week ago, gave a resume of the party congress. He complained of "exclusiveness in the matter of personnel decisions" and alleged that everything had previously been decided and simply rammed through. Still, the 30-year old secondary school teacher did note some positive aspects: "For the first time in years the party congress listened to speeches which said what the rank and file really thinks."

11698
CSO: 3103

ELECTRONIC MEDIA ASSESS GROMYKO'S BONN VISIT

Kepper Commentary

DW281148 Cologne Westdeutscher Rundfunk Network in German 1810 GMT 26 Nov 79 DW

[Excerpts] What can happen? Analyses made in Bonn indicate three possibilities: First, the NATO decision will lead to a hardening of the positions and to a general cooling of the East-West relationship. This is highly improbable. Second, the differences of opinion on the medium-range missiles might, if Moscow refuses to negotiate on them, lead to a limited political conflict under continuation of detente. This cannot be ruled out. What is left, then, is the third option, namely, that the Soviet Union will negotiate after the NATO decision after all. Indicative of this would be, last not least, the Soviet logic. Since the Soviet Union wants to prevent the NATO decision from being implemented there is just one possibility for doing it, namely, accepting the negotiations which NATO itself is offering. Here, the Federal Government, too, will have to invest persuasive power. The Soviet Union has been aware for quite some time that nothing can be changed anymore about the NATO decision. It must accept that negotiations after the NATO decision are the only chance for limiting the medium-range weapons in Europe.

Soviets Will Not Slam Door on Negotiations

DW281153 Baden-Baden Suedwestfunk Network in German 1130 GMT 26 Nov 79 DW

[Excerpts from Walter Wiedemeyer Bonn Dispatch]

[Text] Under no circumstances should we lose sight of the discrepancy between the friendly climate in the German-Soviet consultation negotiations of the past week and the Soviet polemics at the Friday press conference. The German-Soviet relations are still far away from being normal. It remains a goal of the Soviet policy to extricate the Federal Republic from NATO. Since Moscow knows how greatly interested Bonn is in the policy of relaxation and detente toward the East, a policy that is linked with the

names of Brandt and Scheel, it will keep attempting to exchange Soviet benevolence against German dissociation from the Atlantic Alliance. Once the Soviets find out that this barter deal will not materialize they will reconcile themselves to this and will not slam the door to negotiations.

Moscow's Strategy Remains Unchanged

DW281138 Stuttgart Sueddeutscher Rundfunk in German 1140 GMT 26 Nov 79 DW

[Excerpt from Correspondent Strauch commentary]

[Text] The total contradiction in Gromyko's attitude--a moderate exchange of views with the Federal Government on the one hand and a loud public grumble against NATO on the other--in the Bonn performance has become a model example of Moscow's unchanged strategy. In ice-cold calculation and without any regard for the commandments of politeness or sincerity the Soviet gesture of threat is intended to elicit intimidation and fear. And the gesture indeed shows effect, say, in the Netherlands and in Denmark. But anyone reading the Bonn communique, signed by Gromyko, on the latter's talks in Bonn cannot believe even after the fact how Gromyko would present himself: grim, angry, very much irked, and yet as a man who has assumed an actor's role for himself while simultaneously unmasking himself.

Eppler Said What Many People Think

DW281202 Cologne Westdeutscher Rundfunk Network in German 1200 GMT 26 Nov 79 DW

[Excerpts from Reporter Sueskind commentary]

[Text] By his warning against a provocation of the Soviet Union through the deployment of medium-range missiles in the Federal Republic, Erhard Eppler has touched a very sensitive spot of German policy. Eppler has pronounced what many Social Democrats, including leading Social Democrats, are thinking. They feel very much uncomfortable at the thought that military stubbornness or security-policy foolishness might plunge the Federal Republic into a situation where it would be assessed by Moscow as a real threatening factor.

What matters is not positions such as neutralization on the one hand or Western integration on the other. These battles had been waged and decided years ago. What matters is not to lose one's balance on the narrow ridge of politics, a risk which is being delineated by the defense efforts on the one hand and detente efforts on the other.

It is much more important to the Federal Republic to prevent a development from occurring which would be tantamount to a dissociation from the security

interests of the Americans. It is in this connection alone that the arms plans of NATO have an important function for the Federal Republic. And they will serve the process of political efforts toward safeguarding peace only if they can be subordinated to the negotiations. What those who are now being suspected of compliance to the Soviet Union have at heart is the credibility of receptiveness to negotiations.

Schmidt Will Prevail Over JUSOS and Eppler

DW281206 Munich Bayerischer Rundfunk Network in German 1725 GMT 26 Nov 79 DW

[Excerpts from Correspondent Faessler Bonn dispatch]

[Text] Just as clearly as Schmidt has advocated the closure of the arms gap in the whole phase preparatory to the Brussels NATO meeting, he will continue to advocate simultaneous disarmament negotiations. Deputy Party Chairman Helmut Schmidt will receive a clear vote for German security policy at the Berlin SPD Congress. This will not be changed in any way by the ideas of the JUSOS [Young Socialists Organization] and of Eppler.

The only ones arousing doubts about the German chancellor's inaptitude to act in this issue are politicians of the opposition. Meanwhile, their Dutch friends in the European People's Party would be happy if they could adopt as clear an attitude as does Helmut Schmidt. In this field the CSU/CDU cannot score any points against the chancellor. It merely risks its own credibility.

CSO: 3103

GENSCHER GIVES DINNER SPEECH FOR USSR'S GROMYKO

DW290842 Bonn BULLETIN OF THE PRESS AND INFORMATION OFFICE OF THE FEDERAL GOVERNMENT in German 27 Nov 79 pp 3-5 DW

[Speech by Federal Foreign Minister Han-Dietrich Genscher at dinner in honor of Soviet Foreign Minister Andrey Gromyko at the Redoute in Bonn-Bad Godesberg on 22 November 1979]

[Excerpts] [Introductory pleasantries omitted] Meetings with leading representatives of the Soviet Union offering an opportunity for a comprehensive and profound exchange of views about the German-Soviet relations are a normal component part of our relationship today.

To this end the Moscow treaty of 1970 has provided the basis, it is bearing fruit. Nobody can seriously deny any longer today that this treaty and the agreements subsequently concluded with the People's Republic of Poland and the CSSR, as well as the basic treaty with the GDR, have introduced a new phase of East-West relations. For Berlin, which had to suffer from crises and tensions for so long, the four-power agreement of 1971 opened new, favorable prospects.

The Federal Republic of Germany does not see any reasonable alternative to the policy of detente. As far as we are concerned realistic detente policy is not an episode, a phenomenon of the times, but the constant efforts toward peace, understanding, security, and mutual trust. This is why this policy has been devised on a long-term basis for us. All parties of the German Bundestag avow the binding character of the treaties which we have concluded and the commitments which we have undertaken with the final act of Helsinki.

Mr. Minister, no doubt the German-Soviet relationship is of special significance for detente in Europe.

The impulses given by the visit of the general secretary of the CPSU Central Committee, Brezhnev, in May last year continue to be effective, at the time

we made the long-term character of our cooperation clear through the joint declaration in the political field as well as through an agreement designed for validity beyond this century in the economic field.

Trade between our countries is nearly balanced today. Both sides should endeavor to develop it further beyond the level attained and to exploit the options of cooperation that continue to exist.

I am seeing such options especially also in the field of energy. The Federal Government welcomes the suggestion of the general secretary of the CPSU Central Committee concerning a European energy conference. We advocate the implementation of this suggestion.

The declaration signed by Chancellor Helmut Schmidt and the general secretary of the CPSU Central Committee, Leonid Brezhnev, in 1978, however, is of significance which goes beyond the mutual relationship. The fundamental accord found there that nobody shall aspire to military superiority, that approximate equality and parity are sufficient for guaranteeing defense, should serve as a guiding line in all forthcoming negotiations between West and East. What had been said then must prove its worth now.

All efforts toward arms control and disarmament are abetted by a climate of trust. This is why the Federal Government attaches considerable significance to concrete agreements serving the building of confidence. We were guided by this conviction when we successfully advocated the inclusion of the confidence-building in the final document of Helsinki. The followup conference in Madrid will offer an opportunity to score headway in this field as well. The statements made in that respect by the general secretary of the CPSU Central Committee, Brezhnev, make expectations concerning such headway justified.

The French proposal concerning a European disarmament conference supplies an important contribution to this discussion. Its first phase places main emphasis on confidence-building measures. The French proposal, which was supported by the foreign ministers of the European Community in Brussels yesterday, should be discussed in Madrid with the objective of adopting a mandate for this conference.

The CSCE followup meeting in Madrid in 1980 must be a success. This is a political challenge to the participating states. For this reason the Federal Government has proposed to provide for the participation of the foreign ministers in this meeting. We must provide the multilateral detente process with new impulses in all its fields as regulated in the Final Act. This applies to the economic field just as it applies to the exchange of information, it applies to the humanitarian questions and the meeting of people in East and West as much as it does to cultural cooperation.

What is of considerable significance for the stabilization of the situation in Europe is the troop-reduction negotiations in Vienna. In the Western

Alliance the Federal Government has introduced proposals which are to give these negotiations new impetus and make possible the conclusion of an initial agreement. This would be a significant initial step showing that troop reduction in direction of balance and parity are possible. If conscientiously implemented by all parties involved each individual step in this direction will create confidence for further steps.

The announcement of the Soviet Union to withdraw a specific number of soldiers and tanks from the GDR in our opinion is a step toward the mitigation of existing imbalances, a step that deserves to be welcomed.

The Federal Government firmly hopes that the second treaty on strategic arms limitation signed by President Carter and the general secretary of the CPSU Central Committee, Brezhnev, in Vienna on 18 June 1979 will be ratified soon. This treaty is an important step on the road toward the stabilization of the East-West relationship.

In the meantime, West and East have realized that it is indispensable with a view to balance to extend the SALT process to nuclear weapons which hitherto have not been covered by it. This is why the Atlantic Alliance will combine its decision on the necessary modernization measures with a concrete offer of negotiations on medium-range weapons. What we want is that these negotiations be opened without delay and carried out in the awareness of their significance. We desire the success of these negotiations. In this connection the Western Defense Alliance not only sees its own security interests but also makes allowances for those of the Soviet Union and its allies.

The sincere will to negotiate, the public discussion of the forthcoming Alliance decisions and the talks which we have been conducting with our Eastern neighbors about our worries about Eastern armament programs in the medium-range sector which the members of the Atlantic Alliance are bound to feel as an increased impairment of the balance and thus of their security, are an example of responsible security policy.

Chancellor Helmut Schmidt has explained the connection between the two elements of the dual decision by stating that the defence-policy measures deemed necessary can be kept all the more limited the better we succeed in achieving in arms-control negotiations an effective limitation of the continental-strategic systems on the basis of balance and parity in East and West.

What now matters is that both sides actively endeavor to bring about such limitations in negotiations. We welcome the avowal of your country's receptiveness to such negotiations, Mr Minister, made by the general secretary of the CPSU Central Committee, Brezhnev. The peoples of Europe and of the world expect these negotiations to be opened and to be conducted constructively in the spirit of equal rights and respect for the security interests of all. Just as the joint declaration says, we must achieve a

more stable situation on a lower military level, with the security of the parties involved remaining undiminished.

Mr Minister, what now matters is for all of us to jointly exploit the chances now resulting in several respects in Vienna, in Madrid, and under SALT. Europe, which so often had to endure the scourge of war and also carried it to other parts of the world, will live up to its historical mission only if and when it is a continent which preserves peace for itself and whence peace and cooperation emanate.

A glance to many parts of the world will tell that peace has not yet been insured there. We are confronted with the task of contributing toward peace wherever we can. This is true for the Near and Middle East, to Africa, and to Southeast Asia.

It is inconceivable in these weeks to discuss international issues without drawing attention to the misery of the people of Cambodia. What we want is a political solution for this suffering country, yet it is even more urgent to help the people who go hungry. We call on all those having the possibilities to help and open the road to the sick and starving for the helpers.

Mr Minister, our thoughts go to the people who are being kept hostage in the U.S. Embassy in Tehran under violation of international law. Our sympathy goes to them, our solidarity goes to the American people, we appeal to the responsible people of Tehran to release the hostages at long last. The entire community of states is challenged here. Nobody must keep silent.

In our world of global interdependence close, comprehensive cooperation is an inevitable necessity. The Federal Government endeavors to continue and further enhance the cooperation existing between our states and their people beyond all differences of the systems.

Let us, therefore, promote in the spirit of mutual understanding the developments designed for fruitful relations, and continue building the foundation laid during the past 10 years.

CSO: 3103

BERLIN GOVERNING MAYOR INTERVIEWED ON NATO PLANS, BREZHNEV PROPOSALS

DW271523 Bonn DIE WELT in German 27 Nov 79 p 4 DW

[Interview with Dietrich Stobbe, governing mayor of West Berlin by Diethart Goos—date and place not given]

[Text] WELT: There are only symbolical troop contingents of the three allies in Berlin, no Bundeswehr. As of late you repeatedly have expressed your views on the disarmament-policy issue. What causes the governing mayor to do so?

STOBBE: Berlin is the place in Europe, if not in the world, which depends most upon an equilibrium between East and West. We have felt the consequences of that balance in every respect. The rift in Europe is running through the middle of our city in the shape of the wall. What equilibrium means is to improve chances and to safeguard peace. It also means the safeguarding the freedom in our party of the city. But equilibrium also means that we must reckon with the continuation of partition because equilibrium rules out the shifting of power in Central Europe. If now the question is at stake as to whether or not an imbalance exists in the scope of the total balance in the European sphere through the Soviet Union's superiority in the field of medium-range missiles and as to how NATO is to react to it then this is a question which indirectly also touches Berlin.

WELT: With his proposals made in East Berlin on 6 October the CPSU general secretary now has stimulated the discussion considerably. How do you assess Brezhnev's move?

STOBBE: Brezhnev's speech includes three elements: The withdrawal of 20,000 soldiers and 1,000 tanks is directed at the Vienna MBFR negotiations. This is an announcement to which one may react in a positive way. The CPSU general secretary further declared his readiness for negotiations in the field of medium-range missiles. This is the really difficult question. And third, he has made a number of intimidation attempts which amounts to inducing NATO not to make the proposed decisions. I think that we on the Western part will not allow ourselves to be dissuaded by this intimidation and that the Soviet Union, too, after all is aware that NATO will and must make the proposed decisions.

WELT: What will NATO's decision to be made in Brussels early in December look like against the background of the Brezhnev proposals?

STOBBE: What matters is the decision to bring about modernization of American weapons stationed on the European soil in the field of medium-range missiles; and what matters at the same time is to utilize the period between this decision and the stationing of new weapons for negotiations, meaning that NATO responds to the Soviet Union in a constructive way, declaring itself ready for negotiations which must be aimed at a dismantling of the Soviet Union's existing potential.

WELT: What is going to happen in the East-West relationship if NATO makes the decision, as you anticipate?

STOBBE: The Soviet Union itself formulates this very precisely and differentiates between the decision-making and the stationing. The stationing can take place only after the production of the Pershing II, meaning the new weapons; and this will be the case in three or four years from now at the earliest. This period of time must be utilized for negotiations. The Soviet Union must only understand the following: If, in the course of these negotiations, it will not be ready to reduce its potential in the medium-range sector, then the decision to be taken by NATO in December also must be put into practice.

WELT: How do you assess the campaign launched in the "GDR" for the Brezhnev proposal, which actually is targeted at preventing, if possible, NATO's decision or at depicting it already beforehand as an anti-peace measure?

STOBBE: I believe that those who must make the decision are absolutely well aware of the elbow-room that exists for negotiations so that I am hoping that reason will ultimately gain the upper hand in the balancing of the equilibrium.

WELT: What is the position of the SPD? A stationing exclusively on the territory of the Federal Republic presumably would be turned down by you?

STOBBE: This has always been said, by the federal chancellor, by the SPD executive board and by the various working committees. The whole thing functions only if there is a joint position of the European countries, which are members of NATO and designed for the stationing. This is a clear position of the SPD, but it is also a clear position of the Bonn coalition government.

WELT: Hence there are no differences on this subject between the party and the government?

STOBBE: I got the impression that the party presidency and the party executive board in a very responsible discussion agreed on a draft document which certainly may trigger discussions yet but ultimately will be accepted by a majority at the party congress.

WELT: This actually means that the Young Socialists and other part of your party find themselves in a minority on this question.

STOBBE: Yes.

SPD'S PAWELCZYK CALLS FOR SYNCHRONIZED EFFORTS IN NATO ARMS PLAN

DW261222 Bonn DIE WELT in German 26 Nov 79 p 1 DW

[Article by Bernd Conrad entitled: "Bonn: Even After a Yes on Missiles the Door Remains Open for Agreement With Moscow"]

[Excerpt] SPD Armament Expert Alfons Pawelczyk, too, pleads for synchronized efforts for closing the arms gap and disarmament. He told WELT the following: "In my view NATO must persist in formulating a clear-cut negotiation proposal, in which it should be expressed that the European NATO states agree to the stationing of medium-range missiles which are to be developed by the United States in its own responsibility under the proviso that their introduction be renounced entirely or in part if negotiations with the Soviet Union on arms limitation will entail satisfactory results."

Asked by DIE WELT as to whether he expected Gromyko's public threats to have aftereffects on the SPD Party Congress Pawelczyk said: "I proceed from the premise that the SPD Party Congress approves by a majority the motion on "security policy in the framework of peace policy" which was unanimously adopted by the SPD executive board. It is expressed in this motion that arms-control policy regulations must be given political priority so as to dismantle military instabilities. At the same time, the necessary defense-political options are to be fixed so that they may become effective in case the arms-limitation negotiations were to fail. Thus, there must not be any automatism. The course of negotiations and the expected results must enable NATO politicians at any time to examine decisions and, if need be, to revise them.

I have the impression that the Soviet Union is interested in an equilibrium on a lower level. What is important for successful negotiations in my view is a clear-cut negotiation framework so that not too much time of the four years will be spent for political-tactical maneuvers."

CSO: 3103

BRIEFS

NO NEW ARMS RACE--Bonn--Federal Foreign Minister Genscher described the expected decision by NATO on counter-arming and a simultaneous offer for concrete talks on arms limitation as a "considered decision." Addressing the Bundestag FDP group in Bonn today Genscher said that this decision will be proof of the West's determination not to enter into an arms race to counter the USSR's medium-range missile but to exhaust all possibilities for talks. The decision will offer an opportunity to turn security politics in the direction of disarmament. The Federal Government would unswervingly continue with its endeavors for disarmament talks in all spheres. [Text] [LD271638 Hamburg DPA in German 1644 GMT 27 Nov 79 LD]

CSO: 3103

BRIEFS

COMPUTERS FOR POLICE--Computers will soon be put to use by the Gendarmerie Nationale. With the help of a computer located in Paris, every gendarmerie brigade in France will be able, within a few seconds, to query the main police record center. Initial trials will take place in March or April [1980]. [Text] [Paris LE POINT in French 12 Nov 79 p 63]

REGIONAL PARTY HOUSES--The PCF intends to set up some "regional party houses" that will serve as headquarters for the regional committees it plans to establish in Nord, Alsace, Bretagne, Languedoc-Roussillon and Auvergne [circumscriptions]. [Text] [Paris LE POINT in French 12 Nov 79 p 63]

CSO: 3100

'TO VIMA' REPORTS U.S. INSISTENCE ON ALLIED INTERESTS

AT251614 Athens TO VIMA in Greek 25 Nov 79 p 4 AT

[Article by Stathis Efstathiadis, TO VIMA New York correspondent: "The United States Demand Greece Accepts 'Broader Criteria' on the Aegean"]

[Text] New York, 24 Nov, by our correspondent--The United States asks for "understanding" and a "realistic spirit" from Greece over the increased aid it has decided to give to Turkey as of the next financial year. At the same time it is asking the Greek Government to re-evaluate the situation as created in the East Mediterranean and the Greek-Turkish "strategic area" after February 1979, in other words after the overthrow of the Shah of Iran.

Specifically the United States considers that Greece must examine the question of the "so-called balance in the Aegean" under broader criteria, on the basis of broader allied interests in the East Mediterranean and to abandon the "policy and the narrow, or parochial, national spirit" under which it views the situations which, according to Washington, "cannot respond to today's facts."

The relevant instructions--views are a sort of State Department directive to U.S. diplomats who have official or other connections with Greece and who serve in Washington, Athens or at NATO in Brussels. The instructions were issued in early October, they have nothing to do with Greece's return to NATO and, apparently, are aimed as an answer to Greek complaints, observations and protests to Washington against the White House decision to overthrow the balance between U.S. aid to Greece and Turkey at the expense of Greece.

U.S. sources in Washington admitted, at least in private conversations, that the Greek Government repeatedly expressed to the State Department its "discomfort and concern" over allocation of increased military aid to Turkey and repeatedly "informed" the U.S. administration it is seriously concerned over a possible overthrow of the current balance in the Aegean.

The relevant State Department instructions as well as certain indications which have existed in Washington for some time strengthen the impression

that the U.S. administration has informed Athens of its views in a very specific and clear way stressing its opposition to the Greek views on the balance in the Aegean and the role of the Aegean within broader U.S. interests in the East Mediterranean area.

In its instructions the State Department avoids any reference to the essence of the relevant Greek objections which it generally considers "out of time" and "unrealistic." Specifically it considers the view of the Greek Government on Aegean balance as "an outdated goal" and completely ignoring historic facts and Greek national interests in the area it goes on to argue that Greek views on the balance of the Aegean are directed more by "political estimations of the moment" and similar interests than by the necessity to "defend the broader interests of the alliance in the area." According to the State Department, U.S. diplomats must make the Greek understand that U.S. and general Western interests in the area of the East Mediterranean are not limited to the Aegean: "Greece must understand that there are U.S. interests in the area in which it is situated which go far beyond the Aegean," it was stressed to the U.S. diplomats.

On 27 October TO VIMA published the report, which was since proved right by developments, that U.S. military aid to Turkey would be impressively increased during the three-year period of 1980-1983 while equivalent aid to Greece would fundamentally remain at current levels. The Greek Government acting both directly and indirectly through diplomatic channels expressed its concern of the State Department over the excessive military strengthening of Turkey. Rejecting Greek objections the State Department fundamentally is now attempting, through the instructions issued, to provide political weapons to its diplomats who are handling Greek affairs and to supply them with arguments, naturally of a questionable value, so that they will be able to handle Greek objections and complaints.

These instructions do not indicate whether there has been any official U.S. answer to the Greek Government nor is there any indication that these instructions have been implemented. Rumors have been circulating in Washington for several days now--rumors which cannot be verified and whose origin remains unknown--that a Greek protest note over the supply of increased aid to Turkey during the next financial year was met "with frigid indifference" by the State Department.

CSO: 4908

ANALYSIS ON RELATIONS WITH NATO PRESENTED

Athens TO VINA in Greek 18 Oct 79 p 3

[Article by Panos Loukakos]

[Text] A special relationship [first], then an informal relationship, and now no relationship at all. Having already gone through the first two phases on the issue of Greece's return to NATO's military wing, the Greek government may end up by adopting the third solution if certain last minute efforts fail. These efforts are taking place by diplomatic means and the final results will show during Karamanlis' trip to Bonn, Paris, London and Rome. Their objective is evident: to have the European NATO partners exert pressure so that Greece will be readmitted to NATO's military wing without the unacceptable terms of General Haig's final plan for splitting [between Greece and Turkey] the operational control over the Aegean.

Already we can see the shape of the picture: On the one side, the United States supports in essence the unreasonable demands Turkey is putting up as a condition for removing its "veto" [to Greece's readmission]. The German government, maintaining its traditional ties with Turkey, follows the same policy while acting at the same time as the European spokesman for US policies on questions of defense.

On the other hand, certain European countries led by Britain appear to regard the Turkish demands as extravagant and support Greece's return to NATO's military wing under "reasonable terms." Recent contacts between Greek and British officials have indicated a certain differentiation on the part of the British government with regard to the unbending Turkish views. It is possible to have the Italian government espousing similar views if some initial indications that exist now prove to be correct.

Four years later, the Greek request for readmission is today in a worse position than it was when first presented. The negotiations between General Daves and General Haig for a "special relationship" have in essence collapsed. Their final result--the famous Verona plan--was rejected as unacceptable by the Greek government. The "explanations"

offered recently in Athens by the three American experts--explanations which neither added nor changed anything--were the formal death certification of the Verona plan.

Another alternative which came under serious consideration by top officials for a period of time was the substitution of the "special relationship" with an "informal relationship." Under this, the Greek armed forces would fully cooperate with NATO in the area of intelligence, training, etc., without a formal reentry. This alternative appeared feasible for some time. But the final rejection of the Haig plan by the Greek government created a new situation which has become particularly evident lately: the American military spokesmen in NATO, obviously carrying out their government's instructions, give the impression that they want to deal "decisively with the "Greek problem." Already we have two specific events which are serious indications of the new situation.

Recent allied air and naval exercises, with Turkish participation, included flights over Greek air space without asking for Greek permission. And something else: For a final NATO exercise the plans relating to the Greek area were given to Greek officers in the form of orders without even asking for their views or placing the matter before the Greek government for approval. Thus, the exercise took place without the participation of Greek forces or even the presence of Greek officers as observers.

This NATO action was tantamount to a virtual expulsion of our country from the exercises and gave a somewhat new tone to our relations with the Alliance.

If one were to add to these facts the recent debate over the Morion agreement with the Soviets for ship repair and the Karamanlis visit to Moscow--a debate launched primarily by the American government and its NATO representatives--one should not find too extravagant the view expressed by a government official that "the situation is very tight." Furthermore, it is no longer surprising that even those government officials most friendly to NATO are forced to face up to the possibility that we may "have to live without NATO."

Karamanlis' new trip to the European capitals gains under these circumstances an added dimension. In addition to the effort for speeding up the ratification process for the EEC induction treaty by the legislatures of the nine partners, the premier most likely will raise questions related to NATO. Since the Bundestag has already ratified the treaty, the interest of the Karamanlis-Schmidt meeting will be limited to the latter issues.

Following Karamanlis' "European contacts," the time will come for a resolution of the NATO problems. Some place that moment immediately after the premier's return, while others--who are probably nearer to the decision-maker--place it after the treaty's ratification by the nine legislatures. In any event, "the moment of truth" which will signal the beginning for new developments does not seem to be very far away.

Those who have followed NATO developments closely through the last few years will not be very surprised to see the present government being forced by events to withdraw its request for readmission to NATO's military wing.

COMPENSATION FOR CYPRUS VICTIMS BEING CONSIDERED

Athens TA NEA in Greek 24 Oct 79 p 3

[Article by Lina Alexiou]

[Text] If the coup had not taken place in Cyprus the Turks would not have found an excuse to invade; if the Greek force of one division had not left Cyprus in November 1967, Cyprus would not have been an "easy prey"; if the coupists had not been so occupied with the fratricidal phasing out of Makarios and his followers, the Kyrenia outposts would not have been deserted and the landing of the Turks would not have taken place without resistance; if those who had sent young soldiers to their death in transport planes had taken the most elementary precautionary measures, they would have sent on time to the Nicosia airport the message about the [military] mission and its landing.

There are thousands of "ifs" which prove criminal neglect. They are "ifs" which have been uttered by the official lips of military and political individuals at the trial of the coup perpetrators, in the Chamber of Deputies, at different times and places—"ifs" which are documented in an indisputable way in the G. Filis film documentary, "Time Was Cyprus Betrayed." These documents have already been included as indisputable facts in the decisions of the Greek Justice, decisions which indeed honor its stature and those serving it.

Who are responsible for the many dead, for the dismemberment of Cyprus, for the tragedy of thousands of refugees? The "Cyprus file" has not been opened to the criminal courts. But it was opened for the civil courts which point out that the "state should compensate" at least the victims of the planes downed by Greeks.

The government, however, through its State Legal Council not only is failing to compensate the families of the victims but is not even taking action--as it has the right to--against the culprits of the disaster.

The following article includes all data it was possible to gather as well as excerpts from a number of court decisions which can be characterized as historical.

Five years after the betrayal of Cyprus and while the file of the tragic events which caused the death of thousands of Greeks and Cypriots remains tightly closed, Greek justice has proceeded courageously in attributing responsibilities and is asking the state to compensate the victims. For 4 years now the state has undertaken a difficult struggle in an effort to avoid payment of compensations to the tens of families whose sons were killed on 22 July 1974 in Nicosia when the transport plane [carrying them from Greta] was downed "by our own people" who had mistaken it as being Turkish. It was the Ioannidis junta which sent these soldiers to their death. Now the state is stubbornly resisting to pay compensation to these families and is trying to prove that:

- a. Any discussion should take place since the "Cyprus file" remains closed and no civil responsibility can be legally attributed to the state before the pending criminal procedure is completed--a procedure which was suspended 4 years ago through the known government decision.
- b. There is danger of upsetting the state's international relations.
- c. The slain soldiers were...victims of war and therefore "the actions or failures of military services during war operations can never become the basis for defining the state's responsibility towards its citizens."
- d. Those responsible for the tragedy were not officials of the Greek state because these persons had usurped the state's power.
- e. Following the junta coup in Cyprus it was not possible to forecast the "unforeseen and unusual event"--the Turkish invasion which is responsible for the soldiers' death--because "no action whatever by the Greek state has been the cause of the Turks' aggressive invasion..."
- f. The amount demanded for mental anguish by the victims' families and for subsistence support are "extremely excessive."

In a series of decisions--prejudicant and definite--the Athens Court of First Instance which was presided over by the eminent jurists Tetokas, Krystallakis, Routsikos, Pamboukis and Moskhonas rejected all these arguments as unfounded. The only exception was a decision (by Judges Georgakopoulos, Elias and Khristodouloupolos) which accepted that indeed there was an element of responsibility on the part of the military for the events on Cyprus. At the same time, however, the decision stated the finding that a state of war existed and therefore the state had the right to refuse compensations.

The first court of appeals decision (K. Vardakis, president, Dim. Stamatopoulos and Anast. Atatsidis, appellate judges) was a surprise blow. It adopted the decision of the court of first instance and ruled that:

1. The plane's downing and the soldiers' death was due to the fact that the military personnel of the defendant state failed in its duty.

2. At that time no war existed between Greece and Turkey--a war which, according to the Third Hague Convention, represents also a legal case preasssuming a declaration of war with the known repercussions.

3. The Suda airport commander even though he knew or should have known by all means that the transport planes which were approaching Nicosia were in danger of being shot down, he nonetheless allowed their departure without first advising the Nicosia airport command of their pending arrival.

4. The pilot of the fallen aircraft attempted to land at the Nicosia airport without knowing the dangerous situation there and without informing the airport control tower.

5. There is also negligence on the part of the top officers of the Greek-Cypriot armed forces since they failed to inform the Suda airport officials of the situation that existed in the Nicosia airport. The Army Command (Ioannidis-Bananos) is responsible for failing to send a timely coded message to the Nicosia airport authorities on the aircrafts' arrival time. However, there were no hostilities between Greek and Turkish forces at the airport.

6. The urgent message silencing the Nicosia airport anti-aircraft guns was given at 0130 hours of 22 July at the very moment the guards of the airport were shooting at the first aircraft. "It was not issued absolutely on time because of negligence on the part of public officials."

The courts considered as solved beyond any doubt the matter of cancelling the procedure for consideration of the suits filed by the families of the victims because the criminal prosecution of the culprits was suspended.

Also, on the basis of the prejudicant decisions, the courts declared that the suspension concerns only civil crimes or those which may disturb the country's international relations but not civil trials which consider the citizens' demands resulting from such crimes.

The state's decision to reject the demands of the victims' families compelled their authorized lawyer Nikh. Papavasileiou to ask publicly the following questions:

a. How can the state's hard stand against families who lost their sons in Cyprus be justified when everyone from the premier and party leaders to the last citizen knows of the great betrayal of Cyprus?

b. How can the fact be reconciled that on the one hand the premier and all political leaders were officially declaring that Cyprus was betrayed by the militarists in power and the Androutsopoulos government and on the other hand the country's judiciary was ruling that a war took place in Cyprus and therefore the soldiers were "legally" killed?

Papavasileiou points out that continuation of the controversy in such a sacred case is as unacceptable as the payment of a 1,000-drachma pension to the families of the soldiers was "insulting to the memory of the dead."

Following the appeals court decision the lawyer submitted a few months ago a petition to the Ministry of Defense. The ministry passed it on to the Ministry of Finance with a memo that "the minister, having become acquainted with the petition, requests that the claim be satisfied provided that it is within the law because, as he believes, such a solution is necessary for reasons of moral obligation and because continuation of the controversy on such a serious matter could cause damage to the whole case."

The Ministry of Finance sent the defense minister's memo to the State Legal Council together with an urgent memo of its own requesting it to take the necessary action. All this took place last June. To this day the State Legal Council has been silent ...

7520
GSO:4908

KEPE FIVE-YEAR PLAN PRESENTED

Athens TA NEA in Greek 25 Oct 79 p 14

[Article by K. Kolmar]

[Text] The new 5-year economic development plan prepared by the Center for Planning and Economic Research (KEPE) and presented yesterday to the press by Coordination Minister Papanikolaou anticipates a per capita product of 5,366 dollars in 1982. This anticipation which more than doubles the per capita product in current prices within the next 5 years is based on KEPE's forecast that the gross national product (GNP) will be increasing at an annual rate of 12 percent and that the country's population will not exceed 9.7 million⁽¹⁾ persons in 1982.

These projections are based on an average annual actual GNP increase by 5 percent which means that the average inflation rate during the 1978-82 5-year period will be 11 percent compared to 12 percent in 1978 and to 22 percent this year. At constant 1970 prices, KEPE anticipates that the GNP will increase 5 percent annually during the 1978-82 5-year period and will reach 556 billion drachmas compared to 434 billion drachmas in 1977. This means that at constant prices the per capita income will increase by about 21 percent during the 1978-82 period. At an average rate of 6 percent the 1982 GNP will have been increased to 583 billion drachmas.

It is anticipated that at the end of the 1978-82 period the GNP will reach 576 billion drachmas (at constant 1970 prices), the private consumption will rise to 360 billion drachmas and public consumption to about 84 billion drachmas.

(1) The projections were made by TA NEA and are based on today's dollar-drachma parity of 1 dollar = 36 drachmas and on the anticipation that the drachma will depreciate at the same rate as the dollar. At a faster rate, the per capita product will drop unless it is depreciated at actual purchasing values.

Public consumption will be increasing at an average annual rate of 5.9 percent which is faster than the 4.5 percent rate of private consumption. The gross fixed capital investments will increase from 87 billion in 1977 to 111 billion drachmas in 1982 (at constant 1970 prices) or at an average annual rate of 5 percent. Of these, the public investments will increase from 19.2 to 23 billion drachmas at an annual rate of 3.5 percent.

Investments

These forecasts preassumes an increase of the fixed capital investments at constant 1970 prices under the following average annual rates during the 1978-82 period: 9.7 percent in agriculture; 15.9 percent in mining; 1.5 percent in industry; 15.4 percent in electricity; 4.9 percent in transports; 3.0 percent in housing; and 2.2 percent in miscellaneous sectors.

In order to achieve these investments, KEPE anticipated offers of money resources reaching 1,028 billion drachmas (at current prices) during the 1978-82 5-year period. Of this amount 46 percent will come from private deposits (475 billion drachmas), about 14 percent from deposits in foreign exchange and 6 percent from the capital market. In other words, the private (bank) deposits will cover more than 60 percent of the capital resources needed for development. The rest 344 billion drachmas will come from the increase of the monetary circulation (13 percent or 136 billion drachmas), from public borrowing abroad (9 percent or 86 billion drachmas), from legal entities of public law borrowing (9 percent ^(sic) or 92 billion drachmas) and the rest from various other sources (31 billion drachmas). The monetary circulation--a basic factor of inflation pressures--will be increasing at an average annual rate of 17 percent during the 1978-82 5-year period compared to 20 percent during the past 1977-79 3-year period.

Of the above resources, 605 billion drachmas or 65 percent will be absorbed by the private sector and the remaining 363 billion drachmas including the 46-billion drachmas increase in foreign exchange resources by the public sector.

Resources

On the premise that the GNP will be increasing by 18 percent annually (at current prices), KEPE estimates that in 1982 the income tax of (physical) persons should yield 104 billion drachmas compared to 31 billion drachmas in 1977; that of legal entities should yield 30 billion drachmas (compared to 10 billion in 1977); and that of the insurance share should yield 213 billion drachmas (compared to 74 billion drachmas in 1977).

Also, KEPE expects an increase in the yield of the real estate tax up to 12 billion drachmas compared to 4 billion drachmas in 1977... (Editor's note: The government had promised to abolish this tax and yesterday Palaiokrasas announced that it was anticipated that the tax on automatic over-valuation of real estate (markup value) would not be imposed in 1980.)

The indirect taxes will increase by 146 percent during the 1978-82 5-year period and will reach 304 billion drachmas compared to 148 billion drachmas in 1978.

Public Debt

The public consumption will be increasing by 162 percent and will reach a level of 689 billion drachmas. Of the public expenditures, the current ones (salaries, pensions, defense) will cover 60 percent while the investments will cover 10 percent. In 1982 the amount of the public expenditures will represent 35 percent of the GNP compared to 11 percent in 1977. The rest will be covered by the public debt which in 1982 will absorb 34 billion drachmas compared to 14 billion drachmas in 1977. In 1982 the annual public borrowing will reach 67 billion drachmas compared to 42 billion in 1977. ZEC will give to the state budget 8 billion drachmas or [less than] 1 percent!

On the other hand, it is interesting to note that in the new 5-year plan KEPE proposes to put on a cost-of-living basis the compensation [raises] of the working people without, however, causing any loss of their purchasing power as a result of the oil price increase. Also, the various allowances of the working people will be deducted from the cost-of-living readjustment. Those earning low pay will be granted higher cost-of-living readjustments than those in high salary brackets. Finally, in the application of the income policy the increase in the productivity of the working people will be taken into consideration and the worker and employee contributions to social insurance organizations will be continued "so that the income of the working people will not be deteriorated."

7520
CSO:4908

STATISTICS GIVEN ON MERCHANT MARINE STRENGTH

Athens (OIKONOMIKOS TAKHYTHROMOS in Greek 18 Oct 79 pp 39, 40

[Article by Nikos Simop]

[Text] According to a completed census of seamen serving on merchant ships of Greek ownership, the Greek Merchant Marine is smaller by 416 ships and 2 million tons (2,007,513 tons to be exact). This study is to the credit of the Merchant Marine Ministry [YEN] and it is the first time that an initiative for such a broad census has been undertaken.

One census finding--which has created justified concern among YEN authorities--is that 416 Greek ships, which have either been inactivated or have been sold to aliens or have been sunk, continue to be registered in the Greek ship registry.

But, as Merchant Marine Minister Kefalogiannis and YEN Secretary General Pavlos Sarlis pointed out, the matter is particularly serious as concerns 84 of the 416 ships with a total gross tonnage of 572,791 tons which have been sold to aliens and have changed flag! These ships may still be active, while maintaining at the same time the Greek registry status thus allowing them to fly the Greek flag whenever the need warrants. On the other hand, it should be noted that many of these 416 ships which appear registered in the Greek ship registry cannot be stricken from the Greek registry since their owners are unable to present to the state or maritime registry the relevant informative documents because of debts to the state or to the Seamen's Retirement Fund [NAT].

Already YEN has taken steps for eliminating these ships from the registry as soon as possible. With regard to ships which were registered on the basis of Acts of Approval (Article 13 of Legislative Decree 2687/53), the possibility of crossing them off the Greek ship registry will be considered by recalling the ministerial act of approval. With regard to the elimination of seamen serving on Greek-owned ships--even after the results of the census--YEN has decided:

a. The elimination will be done annually on a regular basis, on a fixed day. The ministry arrived at this decision because with the country's entry into

EEC it is of vital importance for YEN to have up to date, accurate and detailed information.

b. To establish on a permanent basis a special team which will provide information to three registries: 1) the Greek Ship Registry; 2) the Foreign Ship Registry under contract with NAT; and 3) the Registry of Ship Representatives.

Census of Seamen

On the basis of the census study three tables were prepared concerning a) the assignment of the Greek maritime worker potential among Greek registry ships and Greek-owned ships flying foreign flags; b) the distribution of the seamen's nationality by ship category; and c) the distribution of the maritime worker potential by age. Briefly, the following may be pointed out:

1. The number of seamen who were working on the day of the census totaled 86,269. Of these, 71,244 served on Greek registry ships and the remaining 15,025 on Greek-owned ships of foreign registry.

2. Of the 71,244 seamen serving on Greek flag ships, 49,213 or 69.1 percent were Greeks. The remaining 22,031 or 30.9 percent were aliens. Also, of the 15,025 seamen serving on Greek-owned ships of foreign registry, 8,820 (58.7 percent) were Greeks and 6,205 (41.3 percent) were aliens.

3. Most of the seamen work on freighters because of the 86,269 Greek and alien seamen, 62,902 (72.9 percent) were serving on ships of this category. Also, 14,669 (17 percent) served on tankers, 7,319 (8.5 percent) on passenger ships and the remaining 1,379 (1.6 percent) on other categories of ships.

Similarly, of the above total of seamen, 58,033 were Greeks and 28,236 aliens of the following nationalities:

1. Egyptians	3,754
2. Filipinos	3,415
3. Indians	3,328
4. Pakistanis	3,277
5. Sri Lankans	1,803
6. Chileans	1,701
7. Hondurans	1,354
8. Portuguese	918
9. Syrians	907
10. Cypriots	809
11. Ghanians	664
12. Indonesians	643
13. Other nationalities	5,663

The age bracket of the greatest percentage of seamen was from 20 to 29 years--18,702 seamen (or 32.2 percent); 15,072 seamen (26 percent) were 30-39 years old; 11,195 seamen (19.3 percent) were 40-50 years old; 7,764 (13.4 percent) were less than 20 years old. In the case of foreign seamen, 15,843 or more than half of them were 20-29 years old.

The distribution of ages by specialty groups shows that the greater "class of ages" among the senior personnel and the ship masters is that of 30-39 years, while the age of other specialties is 20-29 years.

More analytically, the results of the YEN census are shown in the tables on the following pages:

TABLE I

DISTRIBUTION OF GREEK REGISTRY MERCHANT SHIPS
OF 100 OR MORE GRT* ACCORDING TO THEIR
CONDITION ON CENSUS DAY

Ship Condition on Census Day	Number of Ships	Greek Flag Ships and Crews		
		Number of Crews		
		Greek	Alien	Total
GREEK REGISTRY SHIPS OR UNDER NAT** CONTRACT	4,115			
A. SHIPS COUNTED ON CENSUS DAY	3,653 ⁽¹⁾	49,213	22,031	71,244 ⁽²⁾
Of these:				
1. Active ships	3,034	47,834	21,746	69,580
a. Freighters	2,362	3,551	18,116	53,667
b. Tankers	352	6,938	2,844	9,782
c. Passenger-Tourist	197	4,424	614	5,038
d. Others	123	921	172	1,093
2. Idle ships	619	1,379	285	1,664
B. SHIPS NOT COUNTED ON CENSUS DAY	462			
Of these:				
1. Ships inactivated or damaged by accident at sea or under NAT contract, etc.	416			
2. Ships under construction	46			

*GRT--Gross Registered tons

**Seamen's Retirement Fund

(1) Includes 114 ships for which no census date was given

(2) Includes also the crews of the above 114 ships

TABLE II

DISTRIBUTION OF SEAMEN SERVING ON CENSUS DAY
ON GREEK AND FOREIGN REGISTRY SHIPS OF 100 OR MORE GRT
ACCORDING TO SEAMEN'S NATIONALITY AND SHIP CATEGORY

Nationality of Ships and Seamen	Ship Category and Number of Seamen				Total
	Freighters	Tankers	Passenger- Tourist	Other	
Total	62,902	14,669	7,319	1,379	86,269
A. COUNTRY OF SEAMEN SERVING ON GREEK FLAG SHIPS (total):	54,067	9,848	6,190	1,139	71,244
1. Greece	35,821	6,978	5,477	937	49,213
2. Egypt	2,410	387	23	49	2,869
3. Philippines	2,470	279	39	16	2,804
4. Pakistan	2,484	234	9	21	2,748
5. India	2,114	202	155	11	2,482
6. Sri Lanka	1,296	186	3	10	1,495
7. Chile	1,269	120	20	6	1,415
8. Portugal	686	87	8	18	799
9. Honduras	367	288	40	--	695
10. Syria	616	173	1	4	694
11. Cyprus	476	136	18	2	632
12. Ghana	494	38	2	12	546
13. Indochina	359	124	3	--	526
14. Other	3,245	616	392	53	4,306
B. COUNTRY OF SEAMEN SERVING ON FOREIGN FLAG SHIPS (total):	8,835	4,821	1,129	240	15,025
1. Greece	4,786	2,935	900	199	8,820
2. Egypt	697	151	14	23	885
3. Philippines	366	244	1	--	611
4. Pakistan	446	78	4	1	629
5. India	500	276	70	--	846
6. Sri Lanka	253	40	10	--	308
7. Chile	175	90	--	1	266
8. Portugal	110	9	--	--	119
9. Honduras	269	389	1	--	659
10. Syria	140	68	1	4	213
11. Cyprus	82	82	10	3	177
12. Ghana	110	7	--	1	118
13. Indochina	53	64	--	--	117
14. Other	843	388	118	8	1,357

TABLE III

GREEK AND ALLEN SHIPWRECK SURVIVORS ON GREEK AND FOREIGN SHIPS
ON CRETE (PART A) BY AGE GROUPS AND B) BY LARGE SPECIALTY AND AGE GROUPS

a) Seamen's Age					
Number of Seamen and Percentage Distribution					
Groups of Seamen's Age	Greek Seamen	Percentage %	Allen Seamen	Percentage %	Percentage
Total	58,013	100.0	28,236	100.0	100.0
Under 20 years of age	7,704	13.4	908	3.5	10.1
20-29 years	15,702	32.2	15,813	56.1	60.1
30-39 "	19,072	36.0	7,971	28.2	26.7
40-49 "	11,195	19.3	2,895	10.3	15.7
50-59 "	4,018	7.9	798	2.8	6.3
60 and over	636	1.1	109	0.4	0.9
Age unknown	46	0.1	172	0.6	0.2

b) Ages of Seamen by Large Specialty Groups

Ages of Seamen by Large Specialty Groups									
Age Groups		Captains and Other Officers		Lower Rank Personnel		Apprentices and Health Personnel		Personnel with Seafaring Experience	
		Number	%	Number	%	Number	%	Number	%
Total		27,039	100.0	55,027	100.0	2,306	100.0	497	100.0
Under 20 years of age		159	0.7	7,930	14.2	583	25.4	42	8.4
20-29 years		7,700	27.9	25,151	45.0	1,496	65.2	217	43.6
30-39 "		9,619	36.6	13,135	23.5	106	7.2	126	26.9
40-49 "		7,277	26.1	6,222	11.1	41	1.7	71	14.4
50-59 "		2,598	9.6	2,750	4.9	12	0.4	37	7.4
60 and over		266	1.0	468	0.8	7	0.1	6	1.3
Age unknown		30	0.1	185	0.3	1	--	--	--

SOCIAL EDUCATION SUBJECTS FOR STUDENTS PROPOSED

Athens O OIKONOMIKOS TACHYDROMOS in Greek 16 Oct 79 p 36

[Text] If we are harsh toward the critical presentation of subjects concerning education in Greece as well as toward the appropriate ministry's relevant policy, it is solely because we attach extreme importance to an education for a change for the best--something we all wish and want to achieve but which can take root and prevail only if it is taught from childhood and if it becomes a way of life for the whole population.

It is for this reason that we consider it useful to deal in this article with the sound and constructive initiative of Education Minister I. Varvitsiotis who is asking KPE [Secondary Education Supervision Center] to study the question of introducing the subject of social education in the schools. The memorandum Varvitsiotis sent to KPE is as follows:

"1. The urban way of life which especially in recent years has spread from Athens to all small and large cities of the country is creating a tight web of social relations which dictate corresponding rules of behavior. Such rules are usually legislated by the state as rules of law under different forms such as laws, decrees, police regulations, etc., while others are being instituted and maintained by man's sound perception and by a civilized, dignified way of life. They are the rules of social behavior.

"2. Unfortunately, until now the schools have not contributed to the interpretation and especially to the enforcement of these rules of social behavior by the students and citizens. They overlooked the importance of social education in forming character, in acquiring knowledge and in adjusting to the social environment as well as to the social and political education of young men. For this reason students of all levels should know and should be taught certain basic rules and knowledge relevant to the following subjects on social education:

"a. Rules on preventive hygiene (and especially a campaign against smoking and narcotics).

"b. Street circulation behavior for drivers and pedestrians.

"c. Individual and mass transit behavior.

"d. Respect for the public peace (for example, limiting all types of noise).

"e. Behavior in places of mass gatherings as, for example, athletic fields, public events, etc. I have cited by way of illustration the campaign against smoking and narcotics as the first subject of social education. The prevalence of this first rule and the possibility of the second one being spread throughout our country necessitates an immediate campaign of enlightening youth among whom the use of narcotics is prevalent. At this point I feel that KNE could schedule this campaign on a panhellenic scale indicating at the same time the assistance it needs to have from other agencies (for example, the Ministry of Social Services, schools of medicine of Supreme Educational Institutions).

"3. Naturally these subjects will not be taught as regular courses for grade requirements but will be given as seminars whereby an appropriate professor acting as a moderator will expand the subject and the students will participate in the discussion following which they will submit a report which will be the basis of evaluating their understanding of the subject.

"Many of the results from such discussions in social education seminars--such as protection of the environment from pollution, campaign against smoking and narcotics--can be scheduled as extracurricular student activities under the supervision of principals and teaching personnel.

"4. As moderators can be professors of any specialty after taking a short course in the particular subject they will moderate except for subjects on environmental pollution and social and preventive hygiene for which school doctors, biologists and physical education teachers are better qualified. The social education subject can be included in the cultural activities which should be expanded. Such an expansion can accommodate subjects on social customs--frugality, for instance--in conjunction perhaps with the teaching of citizenship (Elements of the Democratic System of Government).

"5. Within the aforementioned framework you are asked, as the appropriate agency of the ministry, to study the question of introducing the subject of social education in the school curriculum and to advise me as soon as possible."

Some Recommendations

Even though the minister's initiative is late in coming, it nevertheless does not cease to be worth recommending and to be given priority by KNE.

In a previous issue of O OIKONOMIKOS TACHYDROMOS (9/27/79), Giannis Marinou pointed out the effort of the Norwegian government to impose the spirit of frugality and an aversion to consumer waste on its youth from early childhood. The relevant teaching is done in a provocative way, that is, students

are being taught that the older people are not models to imitate but to avoid, since they are wasteful, greedy, do not think of tomorrow and do not follow a virtuous path. Such a path must be pointed out by the younger generation which has not yet become slave to the anomalous tendency toward waste and bad behavior.

We do not know to what extent Greece is ready for the teaching of social education following the Norwegian model. We believe, however, that such an effort will be in vain if the children are not warned that grownups are not always examples to be followed and that all hardships as reported by history and the daily press are caused by the older generations. In the last analysis that is what Christ taught with his famous urging: "Become ye as little children." Otherwise, the children who are not stupid, green though they are, will easily find out that what is being taught them as sound social education is unacceptable not only by the grownups in general but also by their parents and by the teachers themselves.

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INCREASED FUNDS FOR HEALTH AND EDUCATION CONSIDERED

Athens I KATHIMERINI in Greek 26 Oct 79 p 7

[Text] The 5-Year Plan which has been submitted to the Chamber of Deputies gives particular emphasis to the quality of life as well as to economic and social progress. The greater respect to nature, the rational use of natural resources, the intellectual and cultural uplifting of men and women, the constant improvement of education in the more general meaning of the term as well as the encouragement of artistic and intellectual creativity are among its basic objectives.

The plan's orientations in these sectors are as follows:

1. EDUCATION

A basic objective is to complete the institutional measures and more generally to take steps to raise the level of the educational system and improve its functioning.

In the context of this general goal, the following targets are set: a) the increase of public expenditures and public investments for education so that its share from these funds will increase significantly; b) the completion by 1982 of all buildings currently (since 1977) under construction in the area of pre-university education; c) the approval of additional projects so that by 1987 at the latest it will no longer be necessary to stagger the attendance of students (3 days in the morning and 3 days in the afternoon); d) the compulsory teaching of foreign language in at least all units of post-gymnasium education levels. More specifically, the targets at each level are:

A. Preschool-Age Education:

a. To establish by the end of the 5-year period an infrastructure capable of providing opportunities for preschool training to no less than 180,000 children (compared to 123,000 during the 1977-78 academic year).

B. Primary Education:

- a. To improve the ratio of teacher/student in the major urban centers;
- b. To limit the cases of staggered attendance.

C. Secondary Education:

- a. To expand, beginning with the academic year 1980-81, the compulsory education to 9 years, and to gradually end all school units except those of the gymnasium as provided by Law 309/1976;
- b. To have in operation by the end of the 5-year period no less than 120 technical junior gymnasiums, trade junior gymnasiums and 110 technical-occupational schools.

D. Supreme Education:

- a. To reach definite decisions in a "general framework" for the organization and administration of Supreme Education Institutions [AKI] which will be introduced before the end of the 5-year period, and which will set on a healthier foundation the postgraduate studies in Greece;
- b. To create gradually until 1982 an infrastructure capable of accommodating by the end of this 5-year period and during the next 5 years a substantially greater number of students during the freshman year (with the possibility of getting their degree in a broader spectrum of sciences, arts and letters), and in any event, a number which will correspond to the economic and social needs of the country at a given time.

II. HEALTH

During the 5-year period there will be an effort to achieve the following:

- a. Prevention of illness on an individual as well as collective basis, reduction of infant mortality and prevention of accidents;
- b. Gradual elimination of inequities in health protection by completing the coverage of the large sectors of population and raising the quality of available services;
- c. Improving the effectiveness of health care;
- d. Assuring healthy environmental conditions.

The basic institutional arrangements for improving health care are:

- a. Reorganization of health care for the rural population. The required service of physicians in rural areas will be abolished. In addition to providing permanent status for rural physicians, additional incentives will be provided to overcome the reluctance of physicians to serve in such areas;

b. Organization of the health care infrastructure throughout the country on a regional basis. Outpatient clinics will be classified as university, inter-zone and zone-level clinics, depending on their size, the spectrum of specialties and their staffing. University hospitals will have all specialties suitable for the population of their area and will function at the location of the medical schools. In each region there will be two to three inter-zone hospitals with a satisfactory spectrum of specialties and capabilities for offering training and specialization, while at a third level there will be the remaining zone-level hospitals with the basic specialties;

c. Reduction of the inequities in health protection, which will be achieved by equalizing at a higher point the protection level of those agencies which are deficient in health care; by the overall improvement of the way health care is provided and by the cooperation between the agencies and the appropriate ministry in charting an effective policy for health care, the coordination of the overall tasks and the decentralization of the various services. There is a provision for broadening health protection under the Farm Insurance Organization [FOA] and for the improvement of protection under the Social Insurance Foundation [IKA] and other agencies.

Social Welfare and Environmental Protection

During the 5-year period there will be an effort to achieve the following: a) reorganization of the social welfare agencies to achieve a more efficient distribution of responsibilities and better cooperation between public and private agencies; b) modernization of institutional protection and its gradual reduction while expanding at the same time the opportunities of open care; c) better staffing of the agencies with trained personnel; and d) creating conditions for efficient planning for further developing this sector, as well as for the more active participation of citizens in this development.

The particular targets and objectives of the 5-Year Plan with regard to the basic sectors of social welfare are:

a. Protection for children. Special attention will be paid to the agencies of child protection to assure the mental, physical, moral, intellectual and social development of children. Every effort will be made to keep the children in their natural family environment either with the help of special agencies or with monetary support. Children will be placed in institutions only as a last resort.

b. Protection of the elderly and the chronically ill. There will be an effort to reform the social policies to help the aged remain as independent as possible and participate in the country's economic, social and cultural life. The family will be assisted by various agencies to enable it to continue playing as much as possible its significant, traditional role while limiting institutional welfare support. There will also be an effort to

assist the chronically ill at home by the social welfare agencies in cooperation with the health services so that they can stay with their families for as long as possible.

c. Protection for the handicapped. The policy for the protection of the handicapped will shift towards preventive measures and outpatient care instead of the currently prevailing institutional care. The problems of the handicapped over 15 years of age and the mentally retarded who have practically no protection presently will be dealt with. Finally, every effort will be made to serve the handicapped by the general service agencies in the same way as the rest of the people and to integrate them functionally in society. Only in those cases where they need additional protection will there be special agencies for the handicapped.

Social Insurance

There will be an effort to achieve the following during the period of the plan:

- a. Limiting the inequities in protection by gradually harmonizing the protection of basic groups in the population upward and by gradually reforming the mode of providing protection;
- b. Assuring basic conditions for the effective functioning of the system;
- c. Making old age and health insurance universal.

More specifically, there will be an effort to pursue the following:

1. Coordinating the health insurance of the various population groups and improving the quality of service;
2. Improving the pensions provided by the basic agencies of IKA, OGA, Greek Craftsmen's and Tradesmen's (Insurance) Fund [ΣΕΒΕ] and others;
3. Coordinating the pensions of private employees;
4. Adjusting the pensions of public servants to the general insurance principles;
5. Gradual equalization of protection for the various groups to enable them to meet family expenses;
6. Improving unemployment protection;
7. Limiting the anti-economic, favoritist and special measures in general which result in excessive protection;
8. Coping with the problems related primarily to the viability of the insurance agencies and rationalising the financing of auxiliary insurance funds;

9. reforming the institution of successive insurance programs;

10. gradual restoration of the effective functioning of the family allowances branch.

The most basic measures to be taken during the 5-year period for the protection of the environment, with first priority given to critical cases and the gradual adjustment of communal law, are, briefly:

a. On the institutional framework: improvement of the system of agencies for planning, coordination decision-making, research, measurement and recording, implementation and control, financing, management and administration, action for the environment, drafting of framework-law and related special bills.

b. On the costs of protection: increasing public expenditures and an effort to attract private funds to environmental projects, instituting a system of financial incentives to promote compliance with environmental policies (installation of pollution control devices, building in suitable locations, etc.) as well as counter-incentives or sanctions to discourage offending activities in urban or tourist areas, or in areas of great ecological or esthetic value, etc.

c. On research: working and promoting a research program on environmental questions to be undertaken by appropriate public or private agencies.

d. On major public or private projects: instituting compulsory studies on the environmental effects of projects and their promotion or suspension, depending on the conclusion of the study.

UPSURGE IN MEDICINE PRODUCTION REPORTED

Athens TA NEA in Greek 2 Nov 79 p 3

[Article by N. Daoudaki]

[Text] The annual cost of medicines in Greece reaches 9,460 million drachmas of which 674 million or 28.2 percent are spent for medicines imported from abroad.

According to the 7-member work team which was appointed by joint decision of the Social Services and Commerce Ministries and which a few days ago presented its findings, the factors contributing to the great medicine consumption in Greece are:

1. The existence of a large number of pharmaceutical firms with the result that we have in circulation many similar types of medicines.

(A disclosure: There are 108 drug manufacturing firms in Greece--in Sweden there are only 5 large pharmaceutical companies--and the number of medicines and their various forms legally in circulation is 8,000 and 18,000, respectively, while the number of medicines and their various forms approved for circulation in August 1978 was 3,700 and 8,000, respectively.)

2. The conditions of selection and distribution which prevail in our country and which intensify the impact of a medicine's peculiarity as a consumption item, coupled with the great physician to population ratio (1 in about every 450 people).

3. Lack of sufficient enlightenment of the consumer public--a lack which opens the way for exploitation by the agents who get involved in the cycle "medicines" (drug manufacturer, distributors, physicians, pharmacists) without any real difficulties.

As the report states, the Greek patient not only has not been enlightened as to the dangers of excessive use of medicines but, on the contrary, blindly believes in taking many medicines.

4. The inadequate organization of the public services responsible for controlling the production, distribution, quality and consumption of medicines is an additional important factor contributing to the large drug consumption.

Control of Medicines

The control of medicines is under the jurisdiction of the Ministry of Social Services, the National Drug Control Laboratory (KEF) and the Supreme Health Council (YS). As the report points out, this scattering of jurisdictions contributes to lack of activity coordination among public services, a lack which causes a slowdown in the control, distribution and consumption of the medicines which actually damage public health.

The existence of so many services dealing with drugs, their inadequate organization and the distribution of jurisdictions among them is, according to the unanimous opinion of the committee, the paramount cause for many of the problems and their impact, such as:

1. Lack of activity coordination.
2. Lack of sufficient personnel in most services (in the Directorate for Medicines and Pharmacies, and the Social Services Ministry Inspectorate, for example) which are thus unable to put into practice their responsibilities.
3. Lack of rational planning in the medicine sector.
4. Reduced effectiveness and efficiency of the state administration both as concerns the assumption of reformative initiatives for improving the protection of public health and reducing the total cost of medicines.
5. Weakness in gathering valid statistical data which are indispensable in reaching logical decisions and in instituting necessary measures.
6. Existence of an extensive bureaucracy which delays the supply of services to those concerned who thus undergo hardships.
7. Reduced employee responsibilities in various services since each is trying to blame the other, the result being the perpetuation of the problems at the expense of the general benefit.

Domestic Production

Today in Greece medicines are produced by 106 Greek-owned industries, 8 foreign-owned factories located in Greece and 11 subsidiaries of foreign drug manufacturing firms which do not have factories in Greece but which make their products in Greek pharmaceutical industries in the "façon" method. The increase in medicine production in Greece in recent years has been dramatic. In 1975 the production of antibiotics and tranquilizers was 363

tons and 261 tons, respectively, compared to 85 and 96 tons in 1965, respectively. The value of produced pharmaceuticals increased by 432.9 percent from 1965 to 1975.

For the control of prices of medicines the state has adopted various measures from time to time. However, those dealing with medicines always succeed in circumventing them in different ways such as by putting in circulation new highly priced medicines or recirculating old medicines with new names and new prices by packaging them in a different way. They also stop the production of medicines which, though needed, are not profitable for them; or they stop the import or production of indispensable medicines (serums, anti-diabetic medicines, etc.), their objective being to blackmail the appropriate services into increasing prices beyond those approved by the state.

"Medicines," states the committee report, "are stable products which supercede in priority even basic foodstuffs and cannot be substituted for other goods." The report points out, however, that their medicinal-biological effectiveness depends on their proper preparation, their good quality and their proper use. All these facts coupled with the uniqueness of the medicines as consumer goods and the public's deep faith in their "miraculous" properties "feel, maintain and expand an unacceptable cycle of exploitation of the sick consumer and at the same time create dangers to public health."

According to the committee, this is the reason why the basic objectives of a sound policy in the area of medicines should be: a) good medicine quality and b) availability of medicines at reasonable prices.

In order to achieve these objectives--according to the unanimous recommendation of the committee--the state must change the rules and procedures which concern medicines of wide circulation and which have to do with the production, marketing and consumption of medicines (specifications for building and operating drug manufacturing factories and laboratories, legislation of administrative and criminal sanctions against violators, production of foreign patented medicines with the "façon" method and, only under certain preconditions, establishment of a state factory for the production of raw materials, organisation of an effective system of state intervention in the formation of prices, etc.).

"Good quality and proper preparation of a medicine assumes momentous importance," the committee points out, "since defective preparation and poor quality medicine do not simply reduce their usefulness but usually cause unacceptable damage to the health of the consumer."

Such damage is caused not only by the limited effectiveness of poor quality medicines but also by the failure of applying proper pharmaceutical means for the timely curtailment of the progress of the illness. For this reason it is necessary to institute strict standards which will ensure the

suitability of the medicines from raw materials to the final product, as it is also necessary to apply controls for avoiding violations of these standards.

The committee, whose conclusions are not binding for the ministries, consisted of the following: Meropi Violaki, chairman, Al. Klados, P. Gembos, Ev. Voloudakis, G. Varakis, G. Stylianopoulou and G. Mesissaritou.

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ENI'S REPORT ON SARDINIAN ECONOMIC, POLITICAL SITUATION

Rome IL SETTIMANALE in Italian 19, 26 Sep 79

[Report: "Sardinia Betrayed"]

[19 Sep 79 pp 76-82]

[Text] Sardinia betrayed: This is a new slogan of this dramatic summer coined by the same political forces and the same press media which for years have supported Rovelli's Chinese box game, the useless cathedrals erected at Ottana, the planning choices which confuse a southern philosophy with a welfare philosophy. From the island which is blockaded due to the ferry strike, the news of the impressive spread of kidnappings has belatedly recalled the errors made by an entire generation of politicians and speculators. The story of the economic development of depressed regions, which to a large extent is still to be written, is made up not only of CIPE [Interministerial Committee for Economic Planning], of laws for the south and plant choices. It is also the story of a managerial class which, even before the launching of government measures or the arrival of the technicians from the large plants, was deployed like an army on the field of battle, dividing up among themselves all the positions available and waiting at the pass for those who follow. It is an army that fights under different banners (parties, trade-unions, pressure groups) but along fronts that go beyond differences of opinion and political line. The black and white distinctions (here the good guys, there the bad ones) do not hold up under an examination of the facts.

At the most serious point of the Sardinian crisis IL SETTIMANALE came into possession of an exceptionally interesting document. It is the result of a long and meticulous investigation made in 1971 concerning the situation of the island in view of the consolidation of the presence of the National Hydrocarbons Agency [ENI] in Sardinia; or, to put it better, of the ENI attack on positions then solidly held (we know today at what price) by the Sir-Romancia group of Nino Rovelli. After 8 years, some persons have disappeared, others have changed roles; yet when read during the summer in which Nino Andreatta switched from great protector of the Sir to become Budget Minister, it constitutes evidence of unimpaired value.

The text we present in a two-part series to our readers is not only the photograph of a managerial class. It is also the unpublished description of the obstacles that a state enterprise (we could say the state itself) faces at a time when it is deciding to enter the economy of an Italian region; and it is the story of the contradictions and the errors of an economic policy that was inadequate to deal with the nation's reality.

Documents such as these must be considered more than the parliamentary investigations or statements by ministers.

1. Premise

A premise is necessary to facilitate knowledge of the complex island situation and of the difficulties businessmen face when they undertake any kind of initiative.

The present Sardinian political-economic situation--despite the announcement of industrial installations in the province of Nuoro and in Sulcis-Iglesiente, and the presence of Saras Chimica [Saras Chemical Co.] at Cagliari--is not favorable to the National Hydrocarbons Agency. The dissatisfaction extends to broad areas of island life and is constantly fed by the two daily newspapers controlled by the Sir-Rumianca group.

The generalized polemics regarding State Participation companies because of their long absence in the process of economic-social development and because of their presence in completely calm sections, is damaging ENI above all. This was helped along by the errors committed in the action which was expected to create a favorable environment for the installation of industrial complexes. This included ignoring since 1962, Article 2 of Law No 388 on the Reconstruction Plan which provided for a program of the state participations. To this were added--in the judgment of the majority of political and economic observers--erroneous criteria in the choice of "friends," and an unpopular policy in the implementation of the first specific measures.

In any case, ENI is also paying for faults that are not its own: It is considered coresponsible for the Montedison problems with the mines with the planned petrochemical complex in the industrial area of Cagliari, and for the decisions of the regional government. That government intended to carry out a disruptive action in an area like that of Ottana, judged "inappropriate" for any industrial installation because it had no infrastructure and was far from the sea. (Ed. note: After the passage of years, this forecast has been revealed ruinously correct: Chimica del Tirso and Fibre del Tirso, built near Ottana by ENI and Montedison, have swallowed billions of lire without any advantage to the people in the area). The polemics with the Sir-Rumianca group which developed with the state agency in Sardinia lacks adequate means to deal with systems that are not always legal and correct. (Ed. note: Reference is to the two Sardinian daily newspapers, both controlled by the Sir group) has further shaken the credibility of ENI's programs. According to criteria prevailing

in private industry, these need regional and state incentives. Having then selected the same sector as that chosen by private groups has made the situation still more difficult. In this regard, it is the common conviction that, without the stimulating presence of Rovelli, ENI would have further tried to postpone its contribution.

In an environment which in itself is difficult and certainly not disposed to consider ENI's plans as minna from heaven, there have been some errors in assessing the prospects of the political situation. These had serious consequences for effective, dignified insertion into the local scene. These errors were aggravated by the "colonial" methods adopted in the phase of recruitment of youths to be sent to training courses for the Ottana plants; by having ignored some politicians and high bureaucrats of the public administration; by having neglected to go to the local businessmen and technicians for supplies, bids and various tasks; by not having established liaison with local agencies and the regional administration for the necessary coordination between the industrial establishments and the civilian infrastructure, by delays in implementation of the installation at Ottana.

The following episodes emerged from all these things:

1. Popular demonstrations at Capoterra against the supply of water for Sars Chimica.
2. The Parliamentary Investigating Committee on Crime took a position against ENI during one of the on-the-spot investigations at Ottana when surveyor Chitti was killed.
3. Interrogation in the Regional Assembly, and rumors concerning delays in the implementation and lack of good will in realizing all or part of the program for Media Valle del Tirso.
4. Protests because of difficulties encountered in the feeding and housing of a group of young men from Nuoro who were sent to Busto Arsizio by ANIC (National Agency for the Hydrogenation of Fuel).
5. Negative reactions concerning the questions--described as absurd--the selection committee asked the youth who were to be sent to training courses.
6. Displeasure among Christian democrats and socialists over the choice of candidates made upon recommendation of certain political forces--but neglecting the youth coming from the zone of influence of politicians belonging to a different group.

ENI's role in Montedison, and the attitude adopted by the latter regarding the mines, triggered new polemics against State Participations. According to news accredited by trade-unionists and politicians the man responsible for the anti-mining choice was engineer Cirretti, vice president of ENI and Montedison. The name of engineer Cirretti is linked with that of an accountant,

Ciasolli, administrator of ANMI (expansion unknown), who was attacked at Iglesias by miners during the activities of the parliamentary committee investigating measures against banditry.

Finally ENI's failure to contribute stock capital to Finanziaria Sarda (SFIRS), and the rejection--after contacts that had promised a favorable outcome--of aid by ANIC to rescue the textile group of the Beretta brothers at Villacidro further contributed to putting the state agency in a bad light. Among other things a rumor was circulated in political and economic circles of internal dissension in the group for the line to be followed in Sardinia which ended in the resignation of engineer Fornara.

Despite the pessimistic premise, there is the feeling that with appropriate measures and less circumscribed and more effective human measures, the situation can be modified and that a reversal can be achieved in ENI's present tendency to drop its initiatives from on high into the Sardinian reality without taking local needs into account. However, in order to wipe out the present negative impression it will be necessary to make a profound effort and above all accredit in a different way--concentrating on honest men or broader ranks--ENI's role and function in regional life as a direct reflection of its significance on a national level.

2. General Political Situation

The island political scene is constantly changing, and the situation within individual parties does not reflect the national picture. This makes it difficult to control the opinion of individual forces. It becomes more difficult to identify the attitude of the parties and of the various components regarding economic forces. In order to make the Sardinian political reality clear and comprehensible it is necessary to schematically dwell on two important elements: The "unitarian" and "autonomous" characterization of the choices made in recent years; the outcome of the last regional crisis which affected the members of the parties, going beyond the traditional problems of political ranks.

Unity between the DC and the Independent Leftist Parties

The "autonomist" matrix, exercising leverage on the "Sardinian question," has always distinguished relations between the region and the state. The line "of contestation" toward Rome was accentuated in recent years and involved all parties. With the center-left and recent events tied to the establishment of the one-party DC government, the "independent choices" have reduced the unitarian ranks limiting first the right (PLI [Italian Liberal Party] MSI [Italian Social Movement] and PDUM [Italian Democratic Party of Monarchists Unity] and now the PSDI [Italian Social Democratic Party] and the PRI [Italian Republican Party]). This was possible because of the negligible weight in the Assembly and among the population of the marginal parties (a total of 12 regional councillors out of 74: PLI, 3; MSI, 2; PDUM, 2; PSDI, 4; PRI, 1) and by the presence of the PSDAZ

[Sardinian Action Party] (3 regional councillors). The latter with its constant appeal to Sardinian pride and with some separatist fringes, conditions the policy of the leftist parties (PCI and PSIUP [Italian Socialist Party of Proletarian Unity]) and of the center-left (DC and PSI).

This situation has made it possible to overcome the reasons for polemics and conflicts which, on the national level, mark the political debate between the Christian democrats and the parties of the left. The local reasons for agreement, having prevailed over national reasons for dissent, have led the Regional Assembly to a constant, progressive legislative action and numerous statements of position against the national government that were largely united (DC, PCI, PSI, PSIUP, PSDAZ).

Meaning of the DC Single-Party Government

The resolution of the last crisis emerged from more or less hidden agreements among men of various parties. In the Regional Assembly presently the "real" majority is composed of members of the DC ("rank and file left" of Sassari headed by the Hon. Nino Ciagu and the Hon. Francesco Cossiga; the Fanfani group of Nuoro, led by the Hon. Giovanni Del Rio; "united left" of Cagliari, led by Giovanni Maria Lai; "piccoleta" or Nuoro, led by Sen Salvatore Mannironi; "piccoleta," of Cagliari led by the Hon. Maria Cocco and Dr. Raffaele Garzia, president of Credito Industriale Sardo [Sardinian Industrial Credit Co.]) by the PCI majority (Deputy Andrea Raggio, Regional Assembly group leader and Mario Biradi, regional secretary), by the PSIUP (Deputy Armando Zucca, regional secretary and Assembly group leader), by the majority of the PSDAZ (Deputy Giovanni Battista Melis, regional secretary and Assembly group leader). Some socialist leaders (Deputies Sebastiano Dessanay and Giuseppe Tocco) favored the single-party solution and a Ciagu presidency due to internal conflict aimed at seizing power from the Hon. Sergio Peralda and the Hon. Anton Francesco Branca.

The "real" alternative to this majority consists of members of the DC ("morotea" of Sassari led by Pietro Soddu and Paolo Detto; "morotea" of Cagliari led by Pinuccio Serra and Dr. Paolo Fadda, president of the Mining Agency; "fanfan-bonomiana" of Cagliari led by the Hon. Contu; "piccoleta" of Oristano headed by the Hon. Abis; and "forzanovista" of Nuoro led by the Hon. Ariuccio Carta), by the PCI minority (the Hon. Armando Congiu), by the PSIUP minority (the Hon. Pietro Pinna), by the PSI minority (the Hon. Annibale Francesconi).

The various DC members of the alternative ranks, except for "Forza Nuova" [New Forces] not present in the council by choice, are in the government in a waiting position. They control the majority in the party's regional committee.

The council, according to general agreement among the various members, was expected to remain in force until the spring of 1972 and then to be replaced by a DC-PSI-PSDAZ government headed by the Hon. Pietro Soddu, with expected external PCI support.

The regional political picture changes frequently. However, according to most observers, the constant point of reference will be the "moroteli" of Sassari and the "Forzanovisti" of Nuoro, pointed to as the protagonists of island political life in coming years. (Ed. note: This forecast turned out to be right. The Hon. Gianuario Carta, a "forzanovista," has remained one of the protagonists of Sardinian political life, while the Hon. Giuseppe Pisani, a "moroteli" of Sassari, has become Zaccagnini's closest collaborator and the behind-the-scenes maneuverer of a considerable part of the Christian democratic secretariat's policies).

3. ENI and the Political Forces

First it must be pointed out that between the two political ranks now facing each other, the "hidden" majority except for the members of the PSIUP majority (the Hon. Armando Zucca), is close to ENI and supports its initiatives even though with varying degrees of commitment; the alternative, except for the "forzanovisti" (the Hon. Ariuccio Carta), consists mainly of critical elements in relation to the state agency which would like to anchor their input to regional programming.

The Italian Communist Party

The PCI favors the presence of ENI on the island and the role of disruption that it can and must carry out in the Sardinian economy. Within it there are, however, two members who, in the attempt to win out over each other for party control, seek ties with other independent and leftist forces. The first, which has the most representative exponents in the Regional Assembly group leader, the Hon. Andrea Raggio, in regional secretary, the Hon. Mario Birardi, in Sen Gerolamo Sotgiu, and in the Hon. Ignazio Pirastu, controls the majority even though in limited fashion. The second is headed by the vice president of the Assembly, the Hon. Armando Congiu, the regional secretary of the CGIL [Italian General Confederation of Labor] Daverio Giovannetti, the Hon. Umberto Cardia, and Sen Luigi Pirastu.

The Raggio group, which poses no conditions or reservations concerning the ENI presence, has ties with President Ciagu and the Christian democratic members who support him, the majority of the social-proletariat group, the leaders of the PSDAZ and with some socialist leaders.

The Congiu group, whose main sphere of influence is in the mining centers of Sulcis Iglesiente and in the Guspinese, would like to see the state agency's activities tied to independent choices by the region in reference to economic development. According to Congiu, Cardia and Giovannetti, the state agency should be the instrument for development of the mining zones and of the interior agricultural-pastoral areas, setting itself up as an

alternative to the present presence of private monopolies. In practice, rather than become exclusively committed to basic petrochemical operations, the state agency should also become involved in the chemical exploitation of minerals and involved in labor-intensive manufacturing. The group, through the organization of local agencies (APIARS--Alliance of Local Authorities for the Independence and Rebirth of Sardinia) consisting of administrators and politicians of the PCI, the PSI, and the PSDAZ and of the PSIUP; APEL--Provincial Association of Local Agencies, consisting of the Nuoro "forzanovisti," "Nuova Autonomia" consisting of the "morotei" (as published) of Sassari), who staged several unity demonstrations, has frequent contacts, including public contacts, with the members of the majority of the Christian Democratic Regional Committee ("morotei," "forzanovisti," "piccolei" of Oristano and "fanfan-bonomiani" of Cagliari), some social-proletarian leaders (the Hon. Pietro Pinna), pro-Sardinia forces (the Hon. Pietro Melis, ex-regional councillor and brother of the Hon. Giovanni Battista Melis, party regional secretary) and socialists (the Hon. Annibale Francesconi).

The Hon. Armando Zucca (PSIUP), the "fanfaniani" of Nuoro (the Hon. Giuseppe Carrus) and the "rank and file left" of Sassari (the Hon. Giuseppe Masia) went along with the various initiatives to avoid being left out. Deputies Carrus and Masia created the "Institute of Autonomist Studies." The Congiu group, with appropriate help, can be recuperated and could constitute an important element for ENI operations in Sardinia among other things because of its ties with the worker rank and file.

Finally, the PCI, unlike other leftist political forces, never supported initiatives of private groups either secretly or indirectly.

Socialist Party of Proletarian Unity

(Ed. note: The PSIUP disbanded after its total defeat in the 1972 political elections).

Characterized by the personality of the Hon. Armando Zucca, regional secretary and Assembly group leader, the PSIUP adopted a critical attitude toward ENI, often denouncing the "weight of state monopoly operations." In addition to fighting against the petrochemical line, sustaining the alternative of industrialized agriculture and pastureland, it took a clearly unresponsive position concerning Montedison programs at Cagliari, and ENI programs in Media Valle del Tirso. Furthermore, according to statements by the Hon. Zucca, the region must keep control over planning of operations by ENI and other public and private companies, aiming, among other things, toward the regionalization of the mining industry.

Within the party are several opponents to the Zucca line, but this is a small minority that adopts the positions of the Hon. Pietro Pinna of Oristano.

According to a widespread opinion, the PSIUP has ties with private interests (Sir-Rumianca-Carliere of Arbatax) and with public personalities close to the industrialists (Dr Raffaele Garzia, president of CIS [International Trade Committee of the International Chamber of Commerce]). In fact, according to the island's political circles, it is not by chance that there is a confluence of interests in the scandal sheet SASSARI SERA which, while it supports the political activities of the Hon. Zucca, also defends the interests of Sir-Rumianca and attacks the ENI programs.

The Hon. Zucca, a personal friend of the President of the Region Ciagu and of Local Agency Councillor Del Rio, is one of the main supporters of the single-party proponent Ciagu. During the crisis, he had been together with the Hon. Del Rio, the most influential adviser to the president of the region.

In general, the party grows because of the extreme leftist line of the present regional secretary: It is expected to appeal to PCI dissidents and the elements of the extraparlimentary left provided that in the meantime Il Manifesto does not form a party. It has three councillors in the Regional Assembly.

The Hon. Zucca said several times in the course of private conversations that he was available for talks with ENI leaders to give them "some advice."

Sardinian Action Party

With hints of separatism, and from autonomist positions, the PSDAZ says it opposes a "colonial" development of the island. In open polemics with the State Participations agencies and with ENI because of the long absence, it is not insensitive to the friendly urgings of large private complexes. In the past, when it had representatives in the regional government (the Hon. Pietro Melis, councillor in the industry office), he had close relations with the Carbosarda Company and with engineer Carta, now president of Alsar (Sardinian Aluminum) of the EFIM (Manufacturing Industry Holding and Financial Company).

The support offered to a single-party government headed by Ciagu with the concomitant availability of some subgovernment jobs makes a revival possible while the decision of Soddu and Dettori to characterize all regional political action as autonomous gives it a new, more important role.

Following the split of the Puligheddu-Ruiu-Corona group which went to the PRI, the party is firmly in the hands of the brothers Pietro, Giovanni Battista, and Mario Melis. A minority of Sassari takes a separatist position, but in addition to being small, it now supports DC single-party positions through personal friendship of some of its members with President Ciagu. The Nuoro minority, which opposes the idea of a single-party government, is not important enough to worry regional leaders.

The PSDAZ, with three regional councillors, is a power that is not likely to be reduced as far as its positions are concerned, even though its electorate is no stranger to patronage.

The Hon. G.B. Melis enjoys an excellent press in the Cagliari daily L'UNIONE SARDA. Since the ~~war~~ he broke with the PRI, he has not been contacted by ENI representatives.

Italian Socialist Party

Like the Christian Democratic Party, the PRI [Tr. note: as published but could mean PSI] is characterized by an internal situation that is only partially attuned to national currents. The most outstanding leader is the Hon. Giuseppe Tocco, regional secretary and deputy in Parliament.

The party, with five regional councillors, presents a myriad of groups inspired by various local leaders.

At Sassari, Sen Castellaccio (a De Martino follower) and Regional Councillor Annibale Francesconi (also a De Martino follower), control a modest majority while the federation is in a state of crisis, in contrast with Regional Councillor Sergio Peralda (De Martino follower).

At Nuoro there is a unity agreement among the groups headed by Deputy Giuseppe Catte (a Giolitti follower), by Federation Secretary Giovanni Chironi (De Martino follower) and by Funedda (Lombardi follower).

At Oristano the federation majority is handily controlled by Giuseppe Corrigan (De Martino follower), president of the Sardinian Institute for Handicraft Workers Organization.

At Cagliari, there are five leaders of the components: Giuseppe Tocco (Mancini follower); Anton Francesco Branca (De Martino follower); Sebastiano Dessanay (Giolitti follower); Vinicio Mocci (Bertoldi follower) and Paolo Atzeri (Lombardi follower).

The Hon. Dessanay and the Hon. Mocci, together with Paolo Atzeri head the opposition to the Tocco-Branca majority.

The Hon. Tocco is trying to become the political leader of the left in Cagliari Province. His objective is to upset the alliances and isolate the Hon. Anton Francesco Branca. The maneuver is expected to have repercussions also on a regional level developing into a Tocco-Dessanay-Catte-Francesconi-Castellaccio-Corrigan majority, with Catte as the regional secretary and a Branca-Peralda minority. Presently the minority in the regional committee is represented by Mocci-Dessanay-Francesconi.

Regarding relations with ENI, the Hon. Peralda favored ENI and Montedison while he held a post in the Industry councillor's office, even though he did not neglect important decisions in favor of Sir-Rumianca. His attitude was criticized by the Hon. Tocco and Sen Castellaccio. They do not forgive him for bringing lawyer Giuseppe Sotgiu, mayor of Olbia, to Sardinia with the intention of making him a candidate in the next election.

A Sotgiu candidacy would mean serious difficulties for Tocco and Castellaccio.

The Hon. Sebastiano Dessanay supports the autonomist positions, is against the petrochemical line even though it be public, and favors a mining and agricultural-pastoral alternative. However, he opposes Tocco's policies in favor of Sir-Rumianca.

The Hon. Annibale Francesconi, ex-mayor of Portotorres, favors Sir, and is critical of ENI.

The Hon. Branca is indifferent since he has never taken a position.

Given the internal situation, it would be easy for him to take the side of support with public funds.

There is a different story for the Hon. Tocco. Also tied to the Sir-Rumianca group through personal interests (mining), he has some men in his group who have openly taken a position favoring Sir-Rumianca (they are lawyer Agostino Castelli, vice president of the Sardinian Geomining Company of Sir-Rumianca, city councillor of Cagliari, administrative adviser of the Sardinian Industrial Loan Company and auditor of Finanziaria Sarda [Sardinian Finance Company]; and engineer Domenico Tamburini, vice president of the Mining Agency).

Their Mancini matrix and personal position make them an enemy of ENI. In any case, their public positions are known.

Except for Tocco, Catta and Peralda, the other socialist leaders are not known to have had contacts with ENI representatives.

Italian Democratic Socialist Party

This party has four regional councillors, and is in difficulty due to lack of political space and the impossibility--even in the distant future--of an organizational revision of the center-left. Its leaders are: Member of Parliament Salvatore Cottoni (Tanassi) and Regional Councillors Alessandro Ghinami (Preti) and Antonio Defraia (Tanassi). They have not taken a stand in the battle between Sir-Rumianca and ENI-Montedison. When Ghinami was councilman for Public Works the Sir leaders initiated a dialog concerning several initiatives to support public building projects in industrial centers. The weight of the PSDI in Sardinian life is limited since its electorate does not identify with a regional theme.

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[Text] 3. ENI and the Political Forces

Christian Democratic Party

This Sardinian party with a relative majority has eight components.

Facing each other at Sassari are the "rank and file left" (Deputies Giagu-Cossiga), which has a slight majority, and the "morotei" Soddu-Dettori). There are also small representations of the "fanfaniani," (the Hon. Mariano Pintus) and the "piccolei" (the Hon. Tonino Arru).

At Nuoro, the majority is controlled by "Forze Nuove" [New Forces] (the Hon. Ariuccio Carta) while the minority is shared by the "fanfaniani" (the Hon. Giovanni Del Rio) and the "piccolei" (Sen Salvatore Mammironi). At Cagliari, party administration embraces "the unified left" (Sen Eufisio Corrias), "fanfan-bonomiano" (the Hon. Felicetto Contu), "Morotei" (Paolo Fadda and the Hon. Pinuccio Serra), "Piccolei" of Oristano (the Hon. Abis), "piccolei" of Cagliari (the Hon. Maria Cocco, Dr Raffaele Garzia and the Hon. Neri Marraccini) and "rank and file left" (the Hon. Giovanni Maria Lai).

New Forces is also present with several young men at Cagliari and Sassari.

Regarding relations with ENI, the situation is extremely complex due to mistaken choices which, according to the majority of observers, were made at the time of the Ottana program. In fact, ENI made official contacts only with the "fanfaniani" of Nuoro which at that time had the presidency of the region along with Giovanni Del Rio and, through the Hon. Cossiga, with the majority of Sassari provoking a series of negative reactions which only in part were mitigated with later efforts to help the Nuoro New Forces, the "piccolei" of Oristano and the "morotei" of Sassari. However, the situation is not among the best.

The Giagu-Cossiga group, with seven regional councillors, is close to ENI through the Hon. Francesco Cossiga. In his official statements, Regional President Giagu always maintained an attitude equidistant between ENI-Montedison and Sir-Rumianca. The private groups for the time being favor his presidency even though they are not deluding themselves. The local newspapers are supporting him in expectation of the economic choices to be made. While the Hon. Cossiga's role was redimensioned after Sen Mammironi's ministerial appointment, Giagu's position is considered to be outstanding by political observers even though the present alliances could compromise his leadership in Sassari Province in favor of Pietro Soddu.

After several efforts to correct the errors made by Dr Fogu who had neglected it, the Soddu-Dettori group, with the help of Dettori, softened the position of intransigence. The group is close to Sir-Rumianca which responded to the appeal (Dettori, president of the region) for industrialization when ENI,

through Vice President Girotti, said it was not available for unprofitable industry in Sardinia. It favors regional control of economic development through planning.

The Hon. Soddu criticizes the system adopted by ENI and the solution Montedison has for the mining problem. The group, which also includes Dr Gerolamo Colavitti, Confindustria director for external relations, and Dr Nunzio Carusillo, director general of the Mining Agency and president of Piombozincifera, both personal friends of the Hon. Soddu, is growing constantly. The alliance with the New Forces of Nuoro (they presented a common ticket at the Regional Congress), the Cagliari "Morotei" and the Oristano "piccolei" contribute to make it the catalyst for political debate.

Observers say Paolo Dettori and Pietro Soddu are the most outstanding leaders in the Sardinian Christian Democratic Party. The Hon. Dettori became a senator in 1973. (Ed. note: As will be recalled, the fifth Legislature ended early in 1972) while Soddu was indicated as president in a stable council, and leader of the DC.

The Pintus and Arru groups have little influence, and are close to Sir. Both, and particularly the latter, can however be recovered.

The Del Rio group, solidly in favor of ENI, has assumed an equivocal position regarding the program of Montedison at Cagliari, asking its transfer into Sulcis Iglesiente. It takes advantage of the contributions by the Hon. Nino Carrus, who has considerable training and an assured future, and of Dr Titino Burras, administrative secretary of the Sardinian DC. Giovanni Del Rio, personal friend of the Hon. Giagu, vice president of the council and adviser for the EELL [expansion unknown], went to the senate in 1973 and the Hon. Carrus took his place in the council. The group has three regional councillors.

The Carta group was initially with the Sir in opposition also to the choice made by ENI, but changed its attitude and sided with the State Agency. This is not made very obvious because of fear of reprisals by the news media. It has four councillors in the Assembly and is very close, in terms of identity of views and human relations, to Soddu and Dettori. For the time being at least, there are no conflicts within the group that could be the prelude to a split.

The Mannironi group, with two councillors, carries little weight in the island's political life despite the fact that it is represented in the national government. Supporter of the Sir-Rumianca initiatives, Minister Mannironi has adopted some administrative measures in favor of Rumianca (authorization for the bridge in Cagliari Gulf) which damaged the Saras and Saras Chemicals, and in favor of Sir at Porto Torres. A member is the present councilman for Industry, but he is not able to gain acceptance of the group's economic policy in the council. It has not had contacts with ENI.

The Corrias group is close to Sir-Rumianca. The friendly relations between Sen Efisio Corrias and engineer Paolo Marras, respectively, president and executive administrator of the Cagliari Spa, have facilitated the contact. In fact, engineer Marras, who is also executive administrator of "Cartiers di Arbatax" [Arbatax Paper Company] convinced Sir to participate--along with the other industries doing business in Sardinia--as a stockholder in the soccer club. The group supports the Giagu presidency through its regional councillors Baghino and Tonio Melis, and with finance office councilman Pizano. Giovanni Lilliu, who espouses an autonomist position similar to that of Soddu and Dettori is also a member of the group. Sir is carrying out a public relations campaign for him, putting communications media at his disposal to stress the importance of his work. The name of Prof Lilliu was floated as an alternative to Giagu for the solution of the regional crisis. Deputy Carlo Mole also joined the group recently. According to confidential information, an effort is underway which should lead to a confluence of the "united left" into "New Forces." If this comes about, the political panorama would be disturbed with unforeseeable consequences for the Regional Council.

However, negotiations are expected to overcome some big problems among which the presence of the Hon. Carlo Mole who is vetoed by the Sardinian New Forces. The problem was supposed to have been resolved with Mole's withdrawal of his candidacy in 1973. (Ed. note: Mole instead presented himself again at the political elections of 1972 after having reached an agreement with ENI by virtue of which he became one of the representatives of the interests of the agency in Parliament and consequently, after the break between Cefis and ENI, one of the major opponents of Montedison. Mole was reelected again in 1976 and, having been defeated, withdrew from the scene in the last elections). The negotiations will take place within a few days at Rome with Minister Donat-Cattin. At least in Sardinia, the leaders of the "united left" have not had talks with ENI.

The Contu group, which in addition to the president of the Assembly, has four regional councillors including the public works councilman Deputy Nuccio Guaita and group leader the Hon. Salvatore Spano, is a composite group. Men of different persuasions are members. With some reservations it supports the Giagu council. Except for some fringes (the Hon. Tronci), it is very close to the Soddu-Dettori group. It favors autonomist choices and revitalization of the agricultural-pastoral sector, and it is cautiously critical of the present industrial development. Never having been contacted, it is indifferent to the ENI programs. The Fadda-Serra group relies upon one regional councillor and the regional councilman for tourism, the Hon. Pinuccio Serra. Paolo Fadda is the president of the Mining Agency. Very close to the Soddu-Dettori group it identifies with its political line. It is not insensitive to the proposals of rapprochement by Sir-Rumianca while it questions the Montedison solution for the mines. The support of the Giagu council is temporary. It has no contacts with ENI.

The Abis group has three regional councillors including the leader, presently the agriculture councilman. Favorable to ENI--the Abis presidency adopted several administrative measures including expropriation of land at Ottana which brought strong reactions from Sir-Rumianca--it felt it was betrayed because of the support given to Del Rio and Giagu who opened the crisis putting an end to the four-party arrangement. Tied to the positions of Soddu and Dettori, and of the members of New Forces, it supports Giagu with strong reservations. Deputy Abis gave up the presidency to support the plans of Soddu and Dettori and of the New Forces to "burn" Giagu. He is trying to get closer to and to fuse with the "piccolei" group of Cocco-Grazia-Marraccini. Within the group, Deputies Mario Puddu and Romolo Concas (the latter contacted by Sir-Rumianca) more than once expressed the intention of joining with the morotea component. It is not unlikely that the agreement with the "piccolei" will fail at the last moment. Also a member of the group is engineer Ugo Mele, assistant director of the Regional Planning Center and the almost certain successor of Gerolamo Colavitti in the executive position. In 1973 the Hon. Abis went to the Senate. (Ed. note: Abis was actually elected senator in 1972 and was reconfirmed in 1976 and 1979. He is presently Undersecretary of the Budget). The regional leadership was to be taken over by Mario Puddu.

The Cocco-Garzia-Marraccini group, two regional councillors, embraces the "historical dorotei" who have always had the majority and exercised power in the city of Cagliari. Undisputed leader of the group, even though he operates in the shadows, is Raffaele Garzia (Ed. note: Elected deputy in 1977 and reconfirmed in 1979). He has been for 10 years president of CIS and is linked to the industrialists he invited to do business on the island. Specifically, his relations are excellent with engineer Rovelli (Sir-Rumianca), engineer Marras (Arbatax Paper Company), and the Beretta brothers, owners of a textile group that failed at Villacidro. His relations with Knight of Labor Angelo Moratti, were excellent at one time but changed during the recent events at the Saras Chemical Company and the affair of the aromatics. Despite a vote of no confidence against him by the Regional Assembly, he continues to be the president of the CIS. His group gave its support to the Giagu council in exchange for assurances that he would continue to remain president of the Institute. He is in contact with the president of the council through one of his men, regional councilman in charge of health, the Hon. Salvatore Campus, a close friend of Giagu. In fact, prior to contacts with a fusion with the "piccolei" of Oristano, there had been negotiations for association of the group with "the rank and file left" (Giagu).

The Lai group is a modest one with one regional councillor. The Hon. Giovanni Maria Lai, president of ASEP (Sardinian Association of Emigrants and Families) and an intimate friend of President Giagu, established the "rank and file left" in Cagliari Province as a bridgehead for Giagu-Cossiga. It supports the council unconditionally. It is indifferent to relations with ENI.

Italian Liberal Party

Three regional councillors and a member of Parliament do not count much since their base has been reduced with the passing of years. Sensitive to private industrial initiatives, it undertook efforts of support in favor of Sir, especially in Sassari Province. The Hon. Camba and the Hon. Occhioni have attacked ENI with official documents (interrogations and statements in the Regional Assembly) accusing it of unfair competition.

Democratic Party of Monarchist Unity

Reduced to only two regional councillors and destined to become extinct despite the fact that its leader, the Hon. Efsio Lippi Serra is associate national deputy secretary. Having no weight in political debate, it is indifferent to ENI's activities even though it has criticized the role of public enterprises in official documents with particular reference to the mining sector.

Italian Social Movement

The island representation--the Hon. Pazzaglia and Regional Councillors Gianfranco Anedda and Gavino Pinna--even though small, is very active. It has never taken a position on ENI activities. The Hon. Anedda leveled some criticism at Sir-Rumianca. It is on the sidelines of political debate.

4. Relations with Trade Unions

In assessing the role ENI is preparing to play in Sardinia, the regional and provincial secretariats of the CGIL [Italian General Confederation of Labor], CISL [Italian Labor Confederation] and UIL [Italian Union of Labor] cannot ignore the island's industrial reality which makes their presence possible only because of the presence of private industry. Sir-Rumianca, Saras, the Arbatax Paper Company, Snia Viscosa, etc., with their plants have made it possible for the trade unions to grow. Even though committing errors and making compromises, trade unions have moved toward a new reality. Sardinia has a tradition of struggles of miners, shepherds and farmers; only in recent years has the trade union movement had to face problems of workers in the factories. It was a difficult beginning which had moments of weakness and which saw some cadres yield to the flattery and questionable actions of the industrialists who, more than once, used workers and trade unionists to pressure regional authorities so as to obtain contributions, infrastructure and even publicity for their firm.

Now that the State Participation companies and ENI intend to do business on the island, the trade unions--in denouncing the delay in public aid--share the reservations of the autonomist political forces concerning the choices made. However, all the trade union leaders are generally favorable to the presence of ENI judging by public statements and documents approved.

In Sardinia the three trade unions work in unison. Among other things they are studying an editorial undertaking for the publication of a weekly with a press run of 80,000 copies to be sent to members.

The CGIL is the strongest trade union because of the size of its worker base. It is clearly in favor of a public presence even though its leaders have descended to compromise with the large firms in an attempt to isolate and control the actions of the "action committees" which are very active in Rumianca, at Snia, and at Saras Chemicals. The directors of Rumianca, for example, have supported the CGIL ticket in recent elections for a shop committee in an attempt to reduce the "Chinese" presence. For these reasons, and because of the objective attitude of the Rovelli task force, some directors of the regional secretariat and of the Cagliari and Sassari Chambers of Labor are sensitive to the Sir-Rumianca requests. The outstanding men are Daverio Giovannetti (PCI), regional secretary who is tied by personal friendship and identity of political views with Assembly Vice President Armando Congiu, Willio Atzori (PCI) and Angelo Zucca (PSIUP), brother of the regional secretary of the PSIUP. ENI does not appear to have made contacts with other regional and provincial leaders except for the Nuoro Chamber of Labor, where it found a fertile terrain due to the scarcity of industry.

In the CISL, the most important men are Giannetto Lai, regional coordinator, who is close to the "united left" of Sen Corrias; Giovanni Sechi, of the regional secretariat, a friend of the Hon. Soddu, and Damiano Giordo, secretary of the Sassari union, who has influence on the provincial level due to his ties with the petrochemical industry at Porto Torres. The Sassari CISL periodical recently published articles--in a reference to Montedison programs--against the congestion of plants in the Cagliari industrial area complaining about the void created at Sassari. Also in regard to CISL leaders, ENI made contacts only with the executives of the provincial union at Nuoro.

The UIL has a very low membership; its strength consists of white collar workers. Within it there is a certain tension due to the polemical attitude assumed by the members of the PSDI and PRI regarding the socialist majority. The most representative leaders are Giovanni Motzo, regional secretary, and Giacomo Pittalis, secretary of the Sassari Trade Union Chamber. Giovanni Motzo is an ex-communist and an ex-social democrat. According to political observers he joined the PSI when, a few months after the split, he became aware that the socialist component, having the majority, would hold the secretariatship. Very closely tied to Minister Viglionesi, to Undersecretary Principe and to President Giagu, he was among the first to express a "good" assessment of the Piccoli program for the mining basin. He does not shun friendly dialog with the directors of Sir-Rumianca and of other industries. A free-lance newspaperman, he is a contributor, on regular salary, to L'UNIONE SARDA and IL MESSAGGERO SARDO, a regional weekly for emigrants. Giacomo Pittalis, a socialist, has influence in Sassari Province where he is often in disagreement with the CISL line which is considered too soft in its attitude toward the petrochemical industry.

5. Relations with Economic Forces

For centuries the Sardinian economy has been supported by the mining and agricultural-pastoral sectors, both subject to recurring and widespread crises. Since 1961 a new industrial fabric has been developed with the initiatives by the Rumianca, Sir, Saras, Arbatax Paper (Timavo), Snia Viscosa, Beretta and SES (Sardinian Enterprises Company) (Bastogi-ex Sardinian Electric).

Within these groups Sir and Rumianca in recent years merged precisely because of the Sardinian problems; SES was changed into a financial organization; Saras Chemicals was created with the participation of ANIC and the Beretta group at Villacidro failed.

Aside from the presence within SNIA which has no counterpart in the plant policy of Sardinian Snia, ENI has made an agreement with Moratti Saras creating Saras Chemicals, 80 percent of whose stock is owned by ANIC. Regarding the others, the fight with no quarter unleashed by Sir-Rumianca is matched by a certain indifference on the part of Arbatax Paper, of SES and the Beretta brothers group. Recently, however, the directors of the Arbatax Paper Company approached Sir-Rumianca. In fact, in addition to Sir-Rumianca ownership of stock in Cagliari Spa, engineer Marras has reached an agreement with engineer Rovelli concerning extensive programs of forestation on communal and private property. The program is being developed by an associate of Arbatax Paper.

Although it has definitely renounced the Ottana programs (the Salcim-Brill project will be carried out in Calabria or in Sicily), the Sir-Rumianca group plans to consolidate its presence on the island. It has established the Mediterranean Ferries Company with headquarters at Sassari; it is carrying forward the expansion of the Rumianca plants at Cagliari and Sir plants at Porto Torres; it plans to establish manufacturing industries at Truncu Reale in the Sassari industrial area; it offered SFIRS first a stock participation plan and later administration of the Villacidro textile complex taken over from the Beretta brothers; it established a mining company for chemical research and exploitation of minerals; it created several companies for the construction and administration of several oil tankers of 200,000 and 500,000 tons; finally through SFIRS, it is trying to establish ties with Japanese industries which plan to implement some investment projects tied to the Port Terminal Containers [as published in English] Company of Cagliari. Despite the fact that recently there have been leaks of a clarification of relations with ENI, Sir-Rumianca remains the major disturbing element in the state enterprises programs. Sir-Rumianca controls the entire daily and periodical press of the island. The group has fought with every available means and with all its forces to prevent the development of the petrochemical industry in Sardinia by Montedison.

Sardinian Industrial Credit

Dominated by the personality of its president, Dr Raffaele Garzia, this institution is the prime mover in present industrial development. It has floated loans for hundreds of billions and if Sir-Rumianca were to fail it would go down with it. In the last 2 years, its broad powers have been reduced with the creation of Sarda Finanziaria and with the establishment of CIPS (Inter-council Committee for Sardinian Economic Planning). The board of directors and the executives are on very good terms with the president. Except for talks between Garzia and engineer Girotti and engineer Fornara, there have been no reports of contacts between ENI representatives and those of Sardinian Industrial Credit.

Finanziaria Sarda (SFIRS)

Having emerged with the functions of a propelling element for medium and small industry beyond the basic initiatives, it found it had to deal with the situation of bankruptcy created in the Beretta brothers textile group of Villacidro. It created the Porto Terminal Containers Company and is in contact with French and Japanese businessmen in regard to initiatives in the agricultural and industrial sectors. Its president, the Hon. Giovanni Filigheddu and its director general, Dr Eneasto Dessi, are close to Soddu and Dettori. The Hon. Filigheddu, of Sassari, is also a friend of the Hon. Giagu. Filigheddu and Dessi are bitter about ENI's failure to participate in capitalization of Finanziaria and due to the rejection of an ANIC intervention to rescue the Beretta group of Villacidro. Now it is being courted assiduously by Sir-Rumianca which, considering the difficulties encountered by Finanziaria to advance the construction of plants at Villacidro, has offered to administer them. There are no reports concerning contacts between the SFIRS executives and those of ENI except for negotiations concerning Villacidro.

Regional Planning Center

While it was under the direction of Dr Gerolamo Colavitti, it carried out an important function in the process of socioeconomic development, suggesting several valuable ideas. Consisting of a group that works well together, it has carried out very worthwhile studies furnishing data and material for political and economic debate. Its members are critical of ENI because they felt they were "snubbed" by the State Agency which did not involve them in their programs. Dr Colavitti had contacts with ENI representatives only recently.

Bank of Sardinia

Treasurer of the region together with the National Bank of Labor, it plays a role in the island's economy that is superior to that of a institution. In fact in the agricultural sector the regional administration

has given it tasks of development and support. Director General Dr Angelo Giagu is the brother of the regional president. President is Dr Vittorio Bozzo, a relative of Sen Segni. The credit institution is considered a "feudal domain" of President Giagu. It is very close to Sir-Rumianca for financial reasons. At least for the moment, it is indifferent to ENI.

6023

CSO: 3104

DUTCH PEEL SLIGHTED WITHIN EC

Rotterdam NRC HANDELSBLAD in Dutch 3 Nov 79 p 17

[Article by correspondent Sytze van der Zee: "Dutch Peel Discriminated Against in Distribution of EC positions"]

[Text] Brussels 3 Nov--After long insistence by the Netherlands, an initial meeting about personnel problems will finally take place in The Hague on 7 December between the Netherlands secretary of state for foreign affairs, doctoral candidate N.F. van der Mei and European Commissioner Christopher Tugendhat. The Van Agt government thinks that the Netherlands is heavily underrepresented officially in the European Commission administration. There is a shortage of 300 to 400 persons, with almost 100 persons in the so-called higher A-positions.

And although there has been talk of the "Dutch gap" for some time in Brussels, the commission has only been ready to recognize recently that a problem really exists. Supposedly, threats from the Netherlands government that otherwise it would block payment of commission personnel costs, have tipped the scale. Now it is hoped that Tugendhat, who, among other things, is in charge of personnel affairs, can find a solution for the problem.

In connection with this, it is pointed out in diplomatic circles in Brussels, that in view of the important material and intangible interests which often are at stake--agriculture, steel and also development assistance--it is often very important to be well represented on the official level. An Italian or French official is usually not able to decide what measures must be applied for the Netherlands or what criteria are valid for one or the other decision about the Netherlands.

Consequently only two Netherlands officials in the A category, who, moreover, are still classified rather low, work in the

Transportation Directorate General, which is so important for the Netherlands. This department not only handles highway transportation, but also questions directly connected with the port of Rotterdam. The Netherlands is also heavily under-represented at the Directorate General of Development, although the Netherlands quota in the European Development Fund is 8 percent.

The most offensive is the situation at the top and right at the bottom in the A category. At the top level, the Netherlands has in Pierre Mathijsen only one director general for regional policy, which was a very poor exchange for the Directorate General for Foreign Relations, which was headed for years by Netherlands officials. The efforts which the Netherlands has made in the last 2 years to at least get one person in a more important position, such as in economic or financial affairs, produced no results.

Against this background, it is no longer believed in diplomatic circles that this is a personnel problem. Meanwhile, it has developed into a political problem, according to a Dutch spokesman, who said The Hague originally had not been insistent enough about this problem. As a result, the Netherlands has fallen behind, a situation which can no longer be corrected, unless a solution is found before Greece, Portugal and Spain join the EC

Still the problem, as such, is not so old, because the Netherlands was moderately well represented until the close of the sixties. At that time, the European Community still consisted of six countries and a distribution ration was agreed upon, in which the three larger member states and the Benelux countries had a quota of 25 percent each. An initial problem appeared in 1968, because a disproportionately large number of Netherlands officials accepted the offer of early retirement.

They were, as a rule, persons between 40 and 50 years of age, who could easily find employment elsewhere. This was repeated in 1972, when Great Britain, Ireland and Denmark joined the EC and it was necessary to make room for officials from these countries in the commission administration. The Netherlands officials in the top positions also responded this time somewhat too eagerly, with about 30 top employees resigning in a short period of time.

The reason for this exodus was that the Netherlands officials felt they had obtained too little support from The Hague.

While countries for example, such as France, Italy and even the FRG already had followed a strongly nationalistic personnel policy with respect to the commission administration for years, a Netherlands official who went to Brussels, was considered a dead loss. Moreover, at the commission itself, one could never appeal to the Netherlands commissioner, because he took the position that he was a European official.

It was the beginning of the seventies before The Hague began to be aware of the commission's wretched personnel policy. But then it was already too late. Shortly before, it was decided, namely under pressure of the trade unions, that the commission administration should become a "closed circuit." This means that it no longer was permitted to appoint outsiders to higher positions. This would still remain possible for the post of director general and his assistant.

In that way, officials can only be included in the circuit through the so-called A-7 positions, to gradually advance. But even here there is little enthusiasm on the Netherlands side, because a candidate must first take a competitive examination, before he or she is appointed. A big objection to this system is that the whole procedure can well require 2 years and an applicant never knows in what department he will wind up. The same system prevails for B, C and D categories.

Moreover, the objection to this examination system is that it is based on French, Belgian and Italian practice. In those countries, such selection methods are necessary to prevent certain important positions from remaining in the family. On the other hand, a Dutch lawyer or economist, who has just graduated, does not feel inclined to take a competitive examination along with hundreds, with the risk that he still will never be employed, after waiting a long time.

For all these reasons, it does not seem that a solution for the personnel problem will be found soon. The Netherlands has the right to a quota of 9 to 10 percent; in practice that is 6 percent at the most. This compares with Belgium which has a quota of 23 percent. As the situation now stands, the Netherlands has a shortage of 90 persons in the A category, 50 in the B category, almost 200 in the C category (secretaries) and 35 in the D category (chauffeurs).

Great Britain, Denmark and Ireland are also underrepresented, but they are still relatively new member states. One of the possibilities of solving the Dutch problem is perhaps to allow

young Dutch officials to work several years in Brussels. It is customary in France and also the FRG to send a young official to Brussels for several years. If he wants to, he can return to his national capital after 5 to 6 years. He can also remain there.

Perhaps this does not agree with all kinds of European ideals, but in Brussels it has been true for most member states for years, that an official is regarded as an administrative extension of his country of origin. Another fact is that all important general directorates have been annexed by the large member states. They have no burden of false modesty when it comes to assigning top positions. The small countries may distribute the rest.

8490

CS0: 3105

MIRN/PDP CALLS FOR PRESIDENT'S RESIGNATION

Lisbon O DIA in Portuguese 4 Oct 79 p 13

[Text] Gen Kaulza de Arriaga, president of the MIRN/PDP [Independent Movement of National Reconstruction] Party of the Portuguese Right, is currently in Madrid, the first stop on a trip to several European cities to meet with personal friends and politicians to analyze the party program to be presented at the next congress, at the end of October.

During his 2-week trip through Europe, Kaulza de Arriaga will discuss "Portugal's political future at long range and will also study Portugal's position in the present international picture according to Western standards." a PDP spokesman told the nationalized news agency.

The next PDP Congress, to be held in October, will choose the successor to Moraes Barbosa, who resigned the post of secretary general in December 1978. These functions are currently exercised by attorney Jose Carlos de Ataide Tavares, who distinguished himself in his defense of the rights of one of the "terrorist rings."

On the question of the recent death of Agostinho Neto, noting the event in its last communique, the PDP declared it was "aghast" that the president of the republic associated himself with the respects paid to Agostinho Neto and the mourning for his death with such exaggerated expressions that he far exceeded the formalities that the circumstances would perhaps justify."

In view of this and other factors that the PDP considers "presidential errors," it states that "it feels obliged to declare that Ramalho Eanes should seriously consider ending his presidential term at once." In the communique, the organization led by Gen Kaulza de Arriaga reiterates that "it bows before the death of any individual, even enemies of the nation as Agostinho Neto was."

6362

CSO: 3101

EANES SPEAKS ON ANNIVERSARY OF 25 NOVEMBER 1975

LD260118 Lisbon Domestic Service in Portuguese 1105 GMT 25 Nov 79 LD

[Speech by Portuguese President Gen Ramalho Eanes at a Military Ceremony in Estremoz on the Anniversary of the Crushing of a Rebellion by Leftwing Military Units in November 1975--live]

[Excerpts] Portuguese. Soldiers. The celebration of the 25 November anniversary is not a routine gesture of secondary political significance. To commemorate 25 November means also to critically recall a situation, render a tribute, reassess a pledge, reformulate a hope and reaffirm the ethical significance of the military institution.

To recall a situation: In November 1975 anarchy had taken over and betrayed the generous revolution of April 1974, had paved the way to a new despotism, was threatening the dawn of a new kind of society made up, not of real citizens, but of veritable subjects. The sun of the shared hope was vanishing in a stormy horizon. The big citadel of terror--invisible but ever present throughout the country in the shape of an incredible network of denunciation, infiltration and agents of organizations--destroyed in April 1974 was being rebuilt and, through inquisitional methods was liquidating freedom and threatening democracy.

To render a tribute: A tribute to all those men and institutions which correctly interpreted the existing threats and determinedly committed themselves to fighting them.

To reassess a pledge: A pledge defined and endorsed by the attitude of the military which, as they had done in April 1974, rejected unnecessary violence, rejected summary justice, rejected the curtailment of freedoms and rejected and prevented the suppression of any civil or human rights; a pledge identical in the way in which it successfully sought to defeat the threats to real freedom and to a permanently evolving democracy. This pledge was undertaken in the certainty that any threat to freedom, wherever it may originate, will be confronted with unswerving will and determination.

To reformulate a hope: The hope that the labor of contemporary Portugal may find its motivation in the prospect of a future worthy of the exceptional nature imparted by the Portuguese people on our national past. The hope for a truly developed Portugal where man--all men--will find complete fulfillment through the necessary great modernizations that will be given impetus by the inner strength of its people, hope for a Portugal of democracy, of freedom and tolerance, of strictly observed principles, of the practice of democratic coexistence of all those who merit the people's vote and see in it a moral imperative. In short, a Portugal in which no one will seek revenge nor indulge in what has justly been condemned in others that is, the totalitarian practice of intolerance the denial of true political freedom, the degradation of the supreme political test provided by universal suffrage. The selfishness that disregards men and leaves men increasingly (?isolated).

To reaffirm the ethical significance of the military institution: Like 25 April 1974, 25 November 1975 is a date that honors our military institution. It is the date of our pledge to the Portuguese people who supported us that the military will never use force of arms to impose any political solution on the nation. On the contrary, we institutionally undertake the ethical duty of preventing the manipulation of the armed forces by partisan interests and give our assurance that the military will always abide by the goals of the Portuguese people as enshrined in the constitution and in the options legitimated through the ballot box.

This pledge, enshrined in an ethical-institutional charter, means that our weapons, our knowledge, our command posts, our discipline and our cohesiveness are exclusively at the service of freedom and democracy, at the service of the guarantee that the Portuguese people will always be able to exercise their right to choose the political path of their collective destiny through free, secret and universal suffrage.

Soldiers: The armed forces obviously do not intend to seek comfortable shelter in the reiteration of the major principles that I have listed. They seek to fully carry out their specific mission at the service of the people, by insuring on the one hand, the primacy of hierarchy, cohesiveness and discipline and, on the other, the prompt, efficient and rational use of the means at our disposal. But they also seek to undertake the national and historic responsibility of clearly asserting their full confidence that the major guidelines of national security chosen by the Portuguese people--justice, the security of the population and equal well being--will be translated into daily accomplishments in keeping with the priority concerns of the political leaders elected legitimately and democratically at the ballot box.

It is true that the priority goals must be pursued with realism so that progress may be more than a flickering mirage and to that a short-lived euphoria may not herald more severe restrictions.

However, we must not allow anyone motivated by selfish pragmatism or by calculating power designs to push these goals so far back that hope will cease to exist and society will be split between the citizenry of consumerism and the subjects of poverty. It would indeed be ill-advised for anyone to bring this about for they would be propping up the monster of totalitarianism. They would be reinstating the dialectic of the master-slave relationship into the essence of everything. They would be destroying the pluralist state, the state of man and of the men who hold truth as the foundation, justice as the norm, love as the motivating force and freedom as the [word indistinct].

These priorities will thus be viewed as imperatives by all men of good faith capable of resisting ideological manipulation and calumny and of all those who really believe that the aggressive language of the general doctrines in their theoretical, polemic, subversive and critical (?manifestations) are typical of a preliminary stage that has ended.

The blueprint for a free society outlined by the Portuguese and gradually implemented by their legitimate representatives has the consistency of lasting options that are not changed by circumstantial accidents. It has sound foundations on the firm intention to join the EEC, in the permanent respect for the fraternal relationship that unites us to the Portuguese-speaking peoples of other continents, in the unquestionable commitment that binds us to NATO, in the full acceptance of the principles and letter of the Helsinki agreements and in the importance we attribute to the role of the United Nations in the defense of peace and in the search for negotiated solutions to all conflicts and situations of tension.

Soldiers: The course already outlined by the political system chosen by our people gives us grounds for a conscious optimism as to the future of Portuguese democracy.

CSO: 3101

PSD ORGAN PUBLISHES TEXT OF AGREEMENT WITH 'MANIFESTO' GROUP

Lisbon POVO LIVRE in Portuguese 26 Sep 79 p 3

[Text] Considering the urgent need to develop the democratic regime by formulas more suited to Portuguese reality, it having been established that the parties share common views in this respect, and considering the imminence of the next elections, the Social Democratic Party and the Group of the Reform Manifesto have determined to join forces to win a parliamentary majority in the next Assembly of the Republic, capable of providing Portugal with an executive that will both govern the country on a path of reform and prepare for the development of the regime itself.

Aware that this conjugation of forces is in the national interest, but respecting the differences existing between them, and complying with the present electoral law, the two parties agree to the present accord for political and electoral cooperation between the Social Democratic Party and the Group of the Reform Manifesto, under the following terms:

1. Although its principal purpose is to compete in the next legislative elections, to assist in forming a new majority and to constitute a majority government, this political and electoral cooperation will remain in effect in terms of this agreement until the promulgation of the Law of Constitutional Revision, without prejudice to the provisions of Article No 6, below.
2. The two parties pledge to work, through means to be agreed upon:
 - 2.1. For new electoral laws.
 - 2.2. For a new framing law of referendum.
 - 2.3. For broad constitutional revision.
3. Both parties will refuse to support or be a part of governments from which either party has been excluded against its will.
4. The authors of the Reform Manifesto will present names to the Social Democratic Party to be included on the slates of candidates for deputy in the next elections.

5. On election, the reformist deputies may constitute their own parliamentary group, giving expression to their nature as an autonomous political entity, bearing in mind constitutional provisos.

6. Until the term of the first legislature empowered to revise the constitution, the reformist deputies are committed to aid in the formation and maintenance of a majority government of the Democratic Alliance parties, and hence to vote with the Social Democratic Party in the following matters, in addition to those mentioned in Article No 2.

6.1. Government programs.

6.2. Motions of confidence and censure.

6.3. Budget and planning

6.4. Approval of laws and resolutions that require an absolute or qualified parliamentary majority, with mutual consultation among the parties.

7. In matters not covered by the agreement, the reform deputies will have legislative autonomy and independence of opinion.

Lisbon, 25 September 1979

Social Democratic Party
(Francisco Sa Carneiro)
(Leonardo Ribeiro de Almeida)

Group of the Reform Manifesto
(Antonio Barreto)
(Medeiros Ferreira)

6362

CSO: 3101

PCP ORGAN PROVIDES FIGURES ON FUND RAISING EFFORT

Lisbon AVANTE in Portuguese 11 Oct 79 p 3

[Text:] The results of the 20,000-conto fund drive were tallied on 4 October. A sum of 5,278,980 escudos was collected and turned in at the end of September. That is, in 3 months, the commitment and dedication of the Communist organizations and members made it possible to collect an amount representing 26.39 percent of the financial goal of the campaign.

Meeting on that date, the Coordinating Commission for the campaign found the results positive, but still felt measures should be taken to intensify the campaign.

The first of these measures will be to continue to discuss the campaign in the organizations which are currently facing intensive political preparations for the coming elections. The second measure is to increase the number and size of the pledges and to proceed with their efficient and effective collection.

Gaia Still Leads

Last week's campaign tally indicated that the following sums were collected and turned in by the major sectors of the party organization:

Porto Local Committee	1,480,819.20
Municipal Organization of Vila Nova de Gaia	708,719.50
Intellectual Sector	467,000.00
Metalworkers' Committee	418,545.50
Matosinhos Municipal Organization	222,222.50
Major Services Committee	220,445.00
Porto Inter-municipal Organization	216,560.00
Gondomar Municipal Organization	194,037.50
Minho Regional Organization	159,559.20
Textile Workers' Committee	78,912.50
Campaign Coordinating Commission	425,856.60
Other Sectors	<u>686,303.50</u>
	5,278,980.00

Listing the major sectors in order of the percentages of their proposed goals achieved so far:

1. Gaia	40.49%
2. Major Services	29.39%
3. Metalworkers	27.90%
4. Vila do Conde	27.62%
5. Porto Local Committee	24.68%
6. Matosinhos	22.22%
7. Textile Workers	19.72%
8. Gondomar	19.40%
9. OIC Intermunicipal Organization	18.83%
10. Settlement of Varzim	18.35%

Thus, among the major sectors, the Municipal Organization of Gaia holds the laurels in the campaign, laurels it took at the end of the first month and has not relinquished since.

But the competition is also going on at other levels. Here it should be noted that with regard to other municipalities, the lead has changed hands, going from Lousada to Valongo, and with regard to parishes and company cells, Madalena Parish and the Fogoes Leao Cell held their earlier leads.

6362

CSO: 3101

JOURNALISTS DISCUSS PORTUGUESE FOREIGN POLICY

Lisbon DIARIO DE NOTICIAS in Portuguese 19 Oct 79 pp 15-16

[Round table discussion by Almeida Martins and Diogo Pires Aurelio of DIARIO DE NOTICIAS, and Carlos Pinto Coelho of RTP [Portuguese Radio-Television System, Channel 1, with DIARIO DE NOTICIAS editor M. Bettencourt Resendes as moderator; date and place not given]

[Text] The visit paid by Portuguese Prime Minister Maria de Lourdes Pintasilgo to the United Nations to deliver a speech which led to some polemic discussion, and the trip made to France by the president of the republic were two outstanding developments in the realm of Portuguese foreign policy.

DIARIO DE NOTICIAS invited journalists to accompany these delegations to participate in a round table, to comment on these events, situating them within the broader field of Portuguese foreign policy. Participants in the round table included Almeida Martins of O JORNAL and Diogo Pires Aurelio of DIARIO DE NOTICIAS, who accompanied Ramalho Eanes to France, and Helena Marques of DIARIO DE NOTICIAS and Carlos Pinto Coelho of RTP-1, who accompanied Maria de Lourdes Pintasilgo to New York. DIARIO DE NOTICIAS editor M. Bettencourt Resendes served as moderator for the round table.

DIARIO DE NOTICIAS: I would begin by asking whether the speech Maria de Lourdes Pintasilgo delivered at the U.N. and the statements made in France by Ramalho Eanes are parts of the same foreign policy, that is to say, is there a guideline in the matters under discussion?

Helena Marques: To speak of a specific and clearly defined foreign policy line is perhaps unrealistic to start with. For at least from my point of view, there is no clearly defined foreign policy line. The instability of the government in these last five years has prevented the pursuit, and even the definition, of a specific foreign policy. And I think that Portuguese diplomacy has developed in a way (with apologies for the expression) almost on its own, and with all of the risks that this type of activity may possibly entail. Therefore to speak of pursuing or not pursuing a clear foreign policy line seems to me, I reiterate, unrealistic. What has happened now

in New York is, in my view, very important. But I believe that its importance is not due only to the presence of the Portuguese prime minister pure and simple, but also, and to a great extent, the work the Portuguese mission at the United Nations has been pursuing, particularly in the security council. If these two facts coincide or if these two activities pursue a common line, allow me to voice some doubts. I believe that we journalists who were at the UN a few days ago witnessed the adoption of a very individual position on the part of the prime minister, who moreover has always seemed to me to be an extremely individualistic woman, and paralleled with this, we witnessed brilliant action on the part of Ambassador Futscher Pereira, which, on the other hand, does seem to me more a part of a more general and accepted line of diplomatic action.

DIARIO DE NOTICIAS: For your part, Almeida Martins, do you see a common line underlying the statements in connection with the visit of the president of the republic to Paris and what happened in New York?

Almeida Martins: Perhaps one can say so, particularly since, as is known, the prime minister met with the president of the republic before leaving for New York. Therefore, I presume that they coordinated what they would say. In Paris, specifically, and apart from the fact that nearly a million Portuguese citizens live and work in France, the two presidents, Ramalho Eanes and Giscard d'Estaing, discussed and evaluated specifically points pertaining to their respective foreign policy. These points had to do concretely with relations with the West, Europe specifically, and with Third World countries, in Africa and the Arab World, specifically. This exchange of views made it possible to bring up to date an already known truth, that is the certain affinity of Portuguese and French interests, reflected by a presence, although on different levels, on the African continent.

Carlos Pinto Coelho: I am not entirely in agreement with Helena Marques when she speaks of diplomacy developing on its own as a result of governmental instability. This is because there is data suggesting that Portuguese diplomacy is being pursued by the sovereign authority which has been most stable and most consistent, the president of the republic himself. Moreover, this was even confirmed by Maria de Lourdes Pintasilgo at our "off the record" interview after her speech. I believe that there were two phases to what happened at the United Nations. The first was purely technical, and here I am entirely in agreement with Helena Marques on the brilliant work done by Ambassador Futscher Pereira. There was a school of life and practice which was extremely useful for this first subsector of Portuguese diplomacy, i.e., the 12 years of technical conflict in the United Nations we had to survive. And this has produced in fact an endurance and a capacity for effort which perhaps few diplomatic staffs have nowadays, with the possible exception of those of Greece, Brazil and Israel. Moreover, I agree with Helena and concerning the importance of the work of the Portuguese nation from the technical viewpoint. But from a theoretical point of view, I have the impression that we cannot relegate the address of the prime minister herself to such a secondary level in this way, because

in fact she contributed to clarification and definition--we are in fact a part of the Third World. And Maria de Lourdes Pintasilgo used the first person plural when she spoke of the dialogue between the rich and the poor nations. This was made clear and definite for the first time and this is a very useful contribution. In conclusion, if the Monroe Doctrine has been shattered by the very fact of the increasing activity of China and the Third World bloc and if we define ourselves in terms of the new prospects and the North-South dichotomy, this United Nations address was very important. First of all, I reiterate, because a technical advance was achieved, and the work was worthy of merit, and secondly because clarification and definition was achieved in the theoretical field.

A Third World Nation?

DIARIO DE NOTICIAS: If "we are in fact a part of the Third World," this is not consistent with the European stand taken by the president of the republic in France.

Diogo Pires Aurelio: I do not agree in principle that we are a part of the Third World. Apart from this, it seems to me that there are other factors which must be taken into account when discussing whether or not we are a part of the Third World, above all from the point of view of Portuguese foreign policy, which is that we are dealing with here. These factors would include, for example, the fact which Carlos Pinto Coelho said here and which I would like to stress, that is whether experience is consistent or not with the goals Portuguese diplomacy sought to achieve during the years of the Colonial War. The fact is this diplomacy suffered the onslaught of political and ideological questions beginning on 25 April, and in my view is still not totally free of them. In a first phase we often saw a naive effort to base foreign relations on ideological affinities, making diplomacy tremendously fragile, since instability on the political and governmental level automatically meant that with a change in government foreign policy would have to change.

Then we entered a stage in which an attempt was made to base foreign relations, no longer on ideological affinity, but perhaps personal affinities. And here we saw that which Helena Marques stressed and turned a certain individualism. All of this together resulted in the pursuit of diplomacy much less from the viewpoint of the state than based on the various situations governing it at each moment. It is curious to note (in connection with the importance of the visit paid to France by the president of the republic) that there was a failure, at a time when the people felt the strongest affinity with the countries of the Third World, including the former Portuguese colonies, to make the best possible use of the opportunities for contact and closer relations with these countries. Even apart from the serious political questions there may have been, I note the paradox to be seen, for example, from the cultural point of view, in the fact that Brazil has long wanted to move into the book market in Mozambique, and again that it is countries such as France which supply equipment to the armies of the former Portuguese colonies.

DIARIO DE NOTICIAS: It must be borne in mind that these countries have no colonial disputes with our former colonies, which thus makes their penetration easier and ours more difficult.

Diogo Pires Aurelio: Of course, but where Guinea-Bissau is concerned, this argument would have no validity.

In any case, what I would like to stress is that we have experience in Africa, from the cultural and technical point of view, and even tropical diseases, which perhaps no other country in the world has at this time, and that not all of the opportunities it offers are being utilized.

Carlos Pinto Coelho: In connection with this statement, with which I agree, I would add an example which is almost abnormal, i.e., the excellent relations on the technical level between Mozambique and South Africa. For we must not forget that the ports and railroads of Mozambique are in fact able to operate because the South African technicians are there. It must be recognized that manpower from Mozambique, at a rate of a hundred thousand per year, is continuing to go to work in the Rand Mines, and South Africa continues to pay the government of Mozambique for this manpower in gold. If this was possible, as Diogo said about Brazil and the former colonies, if it is possible for South Africa in relation to Mozambique, why would it not be possible with regard to Portugal?

An Address of "Great Political Import"

DIARIO DE NOTICIAS: To what extent may the political address by the present prime minister facilitate the advancement of our foreign relations to this level, provided that the prime minister's address was not in any way a hindrance to the advancement of Portuguese foreign relations to a level, thus independent of ideological affinities?

Helena Marques: I think that the prime minister's speech carried a very heavy political impact and sought an audience in the Third World. When the prime minister says: "We are a part of the Third World" (as Pinto Coelho mentioned that she did), I believe she is making a statement which is at least quite polemic, because I am certain that if the Portuguese people were asked if they regard themselves as a part of the Third World, the majority of the answers would not be affirmative.

DIARIO DE NOTICIAS: Excuse me, but did the prime minister say specifically "We are a part of the Third World," or was this implied?

Carlos Pinto Coelho: Speaking of the dialogue between the rich and the poor countries, the prime minister used the term "we," in the first person plural, in discussing the need for the poor countries to demand their rights. Therefore, we were not formally included in what is called the Third World, but certainly in terms of the North-South dialogue, in the southern camp.

Helena Marques: In the southern camp, yes, I agree entirely. The prime minister did situate us in fact in the southern camp, that of the poor countries, but I believe the fact that we are a poor country does not suffice to include us in the Third World. I believe that the country of which we are all a part would not wholly agree with this participation in the Third World. I think that the position (and we are back to the issue of a moment ago)--I think that the position of Ambassador Futscher Pereira was much more realistic, on more solid and more sceptible ground to us all, when he placed the situation on this level: We are privileged interlocutors with the Third World, but above all we remain Europeans, and it is fundamental that this choice be clear and very accurately and precisely so, because the strength of our dialogue and our ability to intervene depend on this option. From my point of view, this definition of principles is truer and more realistic than that the prime minister seems to defend.

DIARIO DE NOTICIAS: Weren't the political observers at the United Nations surprised by the European claims of Portugal, without reference points, and I would not say enthusiastic but at least preremptory, in the prime minister's speech?

Helena Marques: I cannot answer that question because in fact I have not had access to the political commentaries and our New York sources, as is moreover natural, are not concerned with this matter.

Carlos Pinto Coelho: I do not know what the reactions of other political observers were, but I know what mine was, and I in fact was surprised.

Almeida Martins: Well, I would like to say that I agree with this classification of Portugal, so to speak, halfway between the rich and the poor countries. Moreover, this kind of classification is not simple nor can it be done simplistically, because there is an explanation for everything. Now that Portugal is a Third World country does not seem to me to be the case. For this was a Chinese or Maoist way of classifying the exploited countries, and those moreover which were neither superpowers nor middle-powers, but merely exploited countries. Now these countries are not in Europe, almost by definition, and are not therefore a part of Western culture. Portugal cannot be grouped with these countries by any means. Because due to its very history, and sometimes history must be invoked as an argument, by the weight then of its very history and its historical experience, it is a country which in the past was among the colonizer and therefore exploiter, nations. Now whether Portugal, or its dominant class in the era of expansion, was or was not able to utilize the position it had to its benefit is another question, and I really believe that it did not succeed in this, and for this reason it fell far behind the other European "partners." Recently, in historical terms, let us say in the past 200 years, in particular since the industrial revolution occurred in Northern Europe, Portugal has lagged behind, has lost ground, but it has obviously never, in terms of its culture and also its political impact, been dropped from the list of European and Western countries, just like Spain in fact. Our position is a little equivocal than that of Spain because we have a

rather more limited industrial potential, but on the other hand we have a capacity for dialogue and a power to penetrate the African continent which Spain does not. The fact is that for the long years in which Portugal lived in isolation, specifically those years in which it waged a war against the liberation movements in the former African colonies, Lisbon diplomacy, as already mentioned here, was oriented along very specific lines. In these past five and a half years we have not yet been able to define a foreign policy consistent with the traditions and positions of our country (and I think that this is, a priori, the reason we are having this discussion). But in my view, this direction in Portuguese foreign policy cannot fail to take our past experience into account and, basically, the historical weight of the Portuguese nation. For fundamentally, I think, this is in a certain sense its very reason for being, for Portugal has been defined since the era of real assertion of European nationality as a European country, with a projection, for better or for worse, on other continents.

Dialogue from Different Positions

DIARIO DE NOTICIAS: The position of the countries in the European Nine in this dialogue between the North and the South is unequivocal. They know perfectly well what side they are on. To what is it possible to reconcile our ambitions with regard to the European Nine and this desire set forth by some individuals, among them the prime minister, to situate us on the side of the poorer nations?

Carlos Pinto Coelho: Not only is it possible, but it is necessary. And moreover, the position of the European Nine in the dialogue between the North and South must also be viewed in terms of the beginning provided by the Laome Convention. We must not forget that it exists, and has borne excellent fruit thus far, and furthermore offers broader prospects. An ever increasing number of Southern Hemisphere nations want to join the Laome Convention. And if this is the case, there must be a reason.

Therefore, there is experience outside Portugal which provides an answer to this question. Yes, it is possible, with partners taking different positions at the discussion table, to begin, even so, to move closer together.

DIARIO DE NOTICIAS: But will we be able to maintain this position "outside" the community policy as such?

Carlos Pinto Coelho: It need not be outside, and I believe that it must be inside. It is my impression that the experience of the Trojan horse may have some application here. In other words, the more involved we are in the position we support, the more we can engage in internal dialogue, the more useful our role as intermediary, as a privileged interlocutor will be. To complete the answer, I believe that rather than being opposed, the position of a country within the European Nine and our position as a privileged interlocutor are on the contrary complementary to each other.

Diogo Pires Aurelio: Furthermore, I would like to add the following, as well. It is obvious that today the term 'Third World' has an ideological impact from which we cannot free ourselves. But in terms of foreign policy, it would be desirable for us to abstract ourselves from this ideological meaning the term has insofar as possible. This being the case, it seems obvious to me first of all that we do belong within a European context. Even if there were not the eight centuries of history already referred to here, it would suffice to examine the political and social structure, not to mention the cultural parameters and the way people think and express themselves, to see that in fact this is a whole European context which has nothing to do with the Third World.

However, I have a certain fear that with this desire to classify ourselves, we will continue to pursue a country club discussion, instead of an uninhibited and dispassionate assessment of our real situation. However we may twist matters, we cannot forget that Portugal has exported manpower to Europe in recent decades, placing us precisely on the level of certain countries in the Third World from this point of view. It was Portugal and the North African countries which made a decisive contribution to the economic growth of Europe. Obviously there is a parallel here, with the difference that when the Third World decided to turn off the oil spigot, we, along with Europe, ended up affected to the extent that this blocked the emigration channel.

From my point of view, the prime minister's address was perhaps naive politically in taking the position of alternatives sought with regard to the dichotomy between the poor countries and the rich ones, overlooking the vacillations in policy which continue after all to characterize both the poor countries and the rich ones.

To summarize, I would that I disagree with this Third World classification, although it is not even known if the prime minister meant to imply that and on what terms. I would add, however, that if we are not a part of the Third World, we cannot forget either that if we are among the rich countries, we are poor cousins. And this perhaps should prevent us from indulging in great epic charades.

A Growing International Audience

Carlos Pinto Coelho: Diplomacy must be pragmatic above all. The diplomat must be effective, must produce results. Therefore I wonder, apart from everything in terms of the system, machinery and structure which may be contradictory, if it would not be pragmatic to conclude the following. 1. Demonstratively, the most stable sovereign body in recent years has been the presidency (or the president) of the republic. 2. This specific man who is president of the republic in this country at present, has given proof of being capable of earning prestige abroad and achieving results on the international level, and therefore, again from the purely pragmatic point of view, this line should be pursued and maintained insofar as conditions remain the same.

DIARIO DE NOTICIAS: Was this growing audience for the president of the republic noted during his stay in France? Was it visible to the journalists who accompanied the president on his trip that this audience is growing, in a confirmation of our prestige on the international level?

Almeida Martins: I believe that "prestigious figure on the international level" would be somewhat of an exaggeration. I would prefer instead to analyze these aspects without entering into a debate on their more or less constitutional nature, in other words, without seeking to establish if it is the responsibility of the president of the republic or some other sovereign body to define and implement Portuguese foreign policy, but rather to contemplate what the main guidelines of this foreign policy should be. This seems to me more interesting and more consistent with the subject which brought us together here.

These Portuguese foreign policy guidelines are somewhat difficult to define, in view of the fact that the world has been in two major blocs since the end of World War II. Thus a country such as Portugal can obviously not have its own absolutely independent foreign policy, just as, moreover, no Western country, except perhaps France itself in one respect or another, can have its own specific African policy. The foreign policy of Portugal then and here I do agree with Pinto Coelho, must be measured in terms of pragmatism, indeed, and thus by the sum of the acts and actions which are in fact advantageous and realistic for our country, and less in terms of alinement of an ideological nature, which alinement, moreover, can only, as we all know, be of one kind, obviously yielding little that is creative.

DIARIO DE NOTICIAS: But in one form or another, directly or indirectly, there is always in the end a certain alinement which is ideological, at least from the practical and effective point of view.

Almeida Martins: Of course. Such alinement becomes a necessary evil. Therefore Portugal, despite its great affinities with the so-called Third World (which moreover Diogo Pires Aurelio has stressed and with which I agree) is both geographically and culturally (but in this case mainly geographically) a Western country.

Carlos Pinto Coelho: I would like to make a parenthetical statement here about the question of alinement. It is a very interesting subject for discussion, for thought. The old alinements are becoming ever more outdated. Let us look at what is happening now in Havana, let us look at the internal struggles which are struggles in the real sense, in the true sense of a dialectical process of development, the internal struggles at this moment existing within a bloc, or what was a bloc but is becoming ever less so in terms of ideological alinement. Let us note too that the division of world until 10 years ago into two great slices, in the manner of the Tordesillas Treaty and the Monroe Doctrine, the Soviet Union and the United States, is being overshadowed, with the increasing activity of China on the international political scene, and further with this insipient rapprochement between China and the Soviet Union which is about to occur in Moscow, and

thus alinement--and more than that, since it seems that the patterns prevailing thus far are in the process of collapsing.

Almeida Martins: In any case, from the military viewpoint, the world is divided into two large blocs.

Helena Marques: Some of us use the expression "naive" or "utopian" with regard to the prime minister's speech. I am entirely in agreement and this was even one of the words I used in one of my reports from New York about the speech to the General Assembly of the UN. I believe that it was in fact a utopian address, but there was at least one thing (there may have been more) which seemed to me extremely realistic, and which perhaps even represented an act of courage. I am speaking of the passage in which Maria de Lourdes Pintasilgo urged the poor countries, with a certain harshness, to be less radical and aggressive in their demands. I believe that it was necessary to say this to the countries which are entering into the realm of verbal aggressiveness. Currently, it seems to me important to stress this part of the speech, which seemed to me extremely positive.

I even think that the prime minister had a responsive audience in the Third World countries, in particular the former Portuguese colonies. I believe moreover that her purpose was to address this speech to that specific audience and, if this was really the case, she was completely successful.

What About European Integration?

DIARIO DE NOTICIAS: The European integration of Portugal was not however mentioned in the prime minister's speech.

Helena Marques: This is a criticism which should be made, and it was precisely in this regard that I said a short time ago that the specific audience chose by Lourdes Pintasilgo for her address to the UN was the Third World.

Diogo Pires Aurelio: In this connection, I recall the words of the president in France, when he said that Europe in the coming years "will not be the Europe of the 50's, nor even that of the 60's." Along this line of thinking, I wonder what would be more realistic in the present international context: the address by the prime minister, with all its possible exaggerations, or continuing to speak of a Europe which has not existed for the last 20 years.

Almeida Martins: Let us not forget that Portuguese membership in the EEC, which I am persuaded will come in the medium or long run, will nonetheless remain to a certain extent a rather theoretical integration. This "new Europe" to which all the Western countries will belong will be a reality which Portugal will not sidestep, but perhaps it will not be capable of facing up to other realities, among which I would include the real relationship and experience of contacts between Portugal and other continents.

Diogo Pires Aurelio: I would like for Almeida Martins to clarify the statement that Portugal's integration in Europe will be "rather theoretical."

Almeida Martins: Portugal will join the EEC, that is it will sign a membership agreement, but it will not be full integration, at least so soon. The people of Portugal will not immediately derive benefits, and our problems will continue to exist with the same acuteness as they do now.

Carlos Pinto Coelho: On this point I agree. On the theoretical aspect, but the technical aspect no, because an organization of state does not experience the impact of the entry of three such definitely Mediterranean countries as Portugal, Spain and Greece without alteration.

Therefore, the community we will join, when we do, will not be the community of today. To this extent, the community itself will have a flexibility which will perhaps allow us that more complete membership which, in present terms, it would not. There is a process of mutual dynamics, Portugal's adaptation to the community and its adaptation to the three new members.

Diogo Pires Aurelio: This question, moreover, will change the terms in which the question of our membership has usually been posed, sometimes in terms of a political trump for certain sectors, and in other cases as if it were exclusively an act of will by the Portuguese state. The question must be viewed much more from the vantage point there looking in our direction rather than the other way around.

Helena Marques: We have been talking around too main topics, the address to the UN by the prime minister and the trip taken to France by the president. I would like to return to the first of these subjects and recall a phrase used by Maria de Lourdes Pintasilgo, but not included in the speech and spoken, moreover, outside the UN. She said, more or less, the following: "Portugal's departure from the colonies caused national frustration. We are a people with a capacity for dialogue and contact with the world, and we must find new forms of pursuing these activities."

I believe that this is an extremely pertinent observation. We are a small country with a true calling in this direction and I believe that, to this extent, we will always find paths to understanding with the rest of the world. We are a people which does not know how to live alone at home. We were not born for closed frontiers, and in this connection, moreover, the years of "proud isolation" will suffice.

Through the EEC, the Third World, or any other structure for international understanding, we will always find points linking us with the rest of the world and other peoples, not out of any kind of altruism or international idealism, but because this is a requirement in ourselves and our way of life and existence in the world.

5157

CSO: 3101

PCE ORGAN ACCUSES U. S. OF ADVENTURISM IN CARIBBEAN

Madrid MUNDO OBRERO in Spanish 21 Oct 79 p 7

[Text] The spectacular and ostentatious maneuvers carried out by the Yankees in the Caribbean, including the "landing" of 2,000 marines at Guantanamo base, represent one more in a long list of attacks against the peoples of Spanish-speaking America. There is no land south of the Rio Grande which has not been a victim of brutal Yankee invasions.

On this particular occasion, the spectacular "landing" was preceded by a campaign of scandal and lies begun in conjunction with the nonaligned summit. The Yankee imperialists, who "veto" communist participation in European governments and who have military bases in almost every country in the world, have embarked on this dangerous venture. Preceded by TV cameraman and dozens of reporters, they "invaded the territory of their base," while their warships patrolled the Caribbean.

They imposed a brutal blockade on Cuba, which they have not been able to subjugate since the triumph of the revolution led by Fidel Castro in 1959, and this blockade is still in force 20 years later. They have constantly launched attacks against Cuba and attempted to infiltrate the island. They have organized dozens upon dozens of attacks against Fidel. And now they have embarked upon this aggressive adventure.

This is the same policy of robbery and extortion they have followed for almost 2 centuries. The dangerous venture is being launched by Carter to snare reactionary senators and to try to win votes in the next election. And to do this he does not hesitate to jeopardize world peace.

Cuban firmness, Cuban steadfastness, and the calm way in which Cuba has reacted to this spectacular venture are well-known. But this venture might provoke an incident which could have incalculable consequences. The adventurism of the Yankee imperialists knows no bounds, and for many years Yankee presidents have been walking on the razor's edge, always treading dangerously close to the brink of a world war.

That is what makes them so dangerous. It must be remembered that they have instigated coups d'etat in many countries on all continents; that they have overthrown rulers who did not yield to their wishes; that they are responsible for the death of the most illustrious men in Latin America, among whom the most recent example was Salvador Allende; that they uphold tyrannies to the bitter end; and that they have gone so far as to take up arms against peoples who are trying to achieve permanent liberation. The Guantanamo adventure is a sign of impotence after seeing that their underhanded ways are not getting them anywhere. The revolutionary victory in Nicaragua has them shaking, and when a regime such as the Yankee imperialist one reaches this state, it becomes extremely dangerous.

Today, the peoples of the world are watching the Caribbean, and especially the events taking place on the eastern end of Cuba. And they have breathed a sigh of relief upon seeing the steadfastness and calmness displayed by the people of Marti and of Fidel Castro, who is not about to let himself be intimidated either by the televised adventure of President Carter and his marines, or by what lurks behind it.

9494

CSO: 3110

PCE REFUSES TO CONDEMN VIETNAM'S CAMBODIA VENTURE

Madrid YA in Spanish 31 Oct 79 p 11

[Text] Condemnation of Vietnam

Antonio Vazquez has defended a non-binding Democratic Center Union motion reaffirming support for the government in aiding Indo-chinese refugees and denouncing the communist regime in Vietnam. Vazquez asserted that because of the Hanoi regime's persecution, a million persons are living like "excrement" in concentration camps and on boats, when they are not shot. The Socialist group expressed agreement, whereas Mr Lopez Raimundo, speaking on behalf of the Communists, supported the first point but not the second. The Communist spokesman explained that the big powers, not only the Vietnam regime, were responsible. The motion was passed, with Mr Lopez Raimundo voting against the second point. In explaining his vote, Macia Alavedra, from the Catalan minority, said that it was regrettable that the two points of the motion had not been unanimously passed and that a selective condemnation of human rights violations was being voiced.

8743

CSO: 3110

CCOO'S CAMACHO SCORES UGT'S AGREEMENT WITH CEOE

Madrid ABC in Spanish 30 Oct 79 p 11

[Text] The union policy that the UGT [General Union of Workers] has been pursuing in recent months, particularly with regard to the Worker's Statute, which the congressional commission has begun examining, was criticized by the secretary general of the CCOO [Workers Commissions], Marcelino Camacho, at the closing session of the Second National Convention of Union Action, which was held this past weekend.

Camacho pointed out that the UGT's approach is designed to remove the rank-and-file from negotiations and to do away with the enterprise committees, so that the union sections become solely the tools for expressing the mandates of the UGT's leaders.

He asserted that the pact between the UGT and the CEOE [Spanish Confederation of Employer Organizations], which has been included as an amendment to the Worker's Statute, is designed to remove the enterprise committee from a leading role and also envisages the possibility that the employers' organization will negotiate with just one union, which would lead to a bureaucratic unionism and, therefore, to greater pressures on workers.

The union leader referred to the framework for an agreement during a major crisis, saying that it would be very difficult to come up with such a framework, which might comprise only two points, one of them wages. There would be tough bargaining on this point, and he mentioned the possibility of the UGT signing a separate pact with the CEOE.

Camacho closed his speech with an appeal for united action with all unions, especially the UGT, and for a national solidarity plan among all social forces in order to overcome the crisis.

The Union Action Convention has taken a look at the CCOO's stand regarding the upcoming collective bargaining session, advocating a policy aimed at the creation of jobs and support for the buying power of wages. The policy will be launched with an information campaign and supported by rallies and calls for contacts with other unions. The convention also examined the CCOO's policy regarding the work done by women and other internal organization issues.

8743

CSO: 3110

CCOO DEMANDS MORE JOBS, GREATER BENEFITS FOR WORKERS

Madrid MUNDO OBRERO SEMANAL in Spanish 18-24 Oct 79 p 18

[Statement of demands by CCOO in Madrid on 14 October]

[Text] On a cold Sunday in the pouring rain, hundreds of thousands of workers with their presence authenticated the document presented to the president by the CCOO [Workers Commissions] union confederation, which we here reproduce:

We of the Great National Solidarity and Class Rally, which brings together the feelings and aspirations of over 60,000 enterprise committee delegates and members, of the almost 2 million workers who have taken part in numerous meetings, public events, rallies, etc., previously consolidated into the great rally being held today in Madrid, convoked by the CS [Socialist Confederation] of the CCOO, the various workers delegations from all ethnic groups and parts of Spain, wish to express to the public and, through a representative body of the CCOO Executive Committee headed by its secretary general, to the president the following conclusions we have reached:

1. The heightening of the economic crisis with the constant rise in unemployment is the entire country's chief sociopolitical problem and it requires cooperation among all the social classes, all the democratic institutions, all employer and union organizations and the political parties to find and apply the fairest negotiable solutions that conform to national interests and stand above exclusive social group or class interests.
2. For the strengthening of democracy and the gradual development of the Constitution, full recognition of the union rights and freedoms of the workers and their unions in order to defend our interests within the framework of the Constitution is imperative. These rights and freedoms must be specified in the Workers Statute now under discussion in the Cortes [Parliament].
3. The basic objective of this National Solidarity and Class Rally, as well as of the whole process of sensitization and mobilization that has preceded it, is to promote and favor effective negotiation in any way possible between each and every one of the forces involved for the purpose of obtaining:

The creation of 300 jobs a year as of 1980 in order to go on reducing unemployment and extending unemployment insurance or unemployment benefits to 400,000 more workers suffering forced unemployment, in the cities and in the countryside, during the coming year, workers who in the meantime cannot obtain full employment.

Voluntary retirement with a pension equal to 100 percent of one's real wages at the age of 60 and a maximum legal age of 65.

The updating of pensions for retired workers and pensioners so that they are in no case lower than the minimum wage and are annually revised at a rate of two points over the cost of living index.

A fair wage policy that will permit retention of the purchasing power of wages by means of sliding wage scales.

Recognition of and rights for the union locals and extension of the powers of the enterprise committees, the agencies of unified worker representation, including the authority to negotiate. All this should be explicitly included in the Workers Statute.

Negotiation of a rapid solution to the total restitution of union capital funds to the federations in proportion to their respective degrees of representativeness, avoiding any kind of discrimination in so doing. Immediate delivery of same to the unions and economic aid that will enable them to establish themselves in a way similar to that employed with the political parties.

An effective fiscal policy that will permit economic development of small and medium-sized businesses, farmers and stockraisers.

4. In order to get our country out of the crisis it is now in, assure job opportunities, suitable living conditions and constitutional rights and freedoms, we, the workers, assume our share of responsibility and are ready to make all the necessary efforts and sacrifices in terms of a framework of national solidarity and an equitable distribution of the burdens and sacrifices, as well as participation in the process and control over the results.

In the immediate future we invite the chief employers associations and union federations to negotiate the issues, contents and standards to be set for the next collective bargaining session in the direction indicated in the resolutions signed by the CCOO and CEPYME [Spanish Confederation of Small and Medium Businesses].

Furthermore, we propose that the government open negotiations on the Workers Statute and restitution of union capital funds as soon as possible.

In order to handle the whole above-mentioned process of negotiation under the most favorable conditions and to achieve positive solutions to the big problems affecting the workers, it is of capital importance and a class obligation

for us to maximally reinforce unified action among the most representative labor federations, especially among the CCOO, UGT [General Union of Workers], USO [Workers Trade Union] and ELA [expansion unknown]-STV [Solidarity of Basque Workers]. For this reason, the Great National Solidarity and Class Rally solemnly appeals to the above-mentioned labor federations to make a special effort and totally commit themselves to urgently reaching all possible agreement toward crystallizing this unity of action.

5. Given the importance of autonomy for the workers, the people of Spain and the government, this great rally declares its total support of statutes of autonomy for the Basque Country, Catalonia and all those who can prepare themselves along the lines of progress and democratic development and appeals to all workers to expend all their energy and enthusiasm in the preparation of the 25 October campaigns and referendums and to say /yes/ [in caps] en masse to the Sau and Guernica statutes.

We workers, who have made such an important contribution to the achievement and development of democracy, once again reaffirm our unequivocal and determined intention of defending the Constitution and its institutions against any attempt to jeopardize freedom, peace and democracy.

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CSO: 3110

MARCELINO CAMACHO INTERVIEWED, CALLS FOR LABOR UNITY

Madrid MUNDO OBRERO in Spanish 12 Oct 79 p 11

[Interview with CCOO Secretary General Marcelino Camacho by Alberto Elordi; date and place not specified]

[Text] Our Objective Is to Negotiate

Hastily, constantly interrupted, but without omitting any details, CCOO [Workers Commissions] Secretary General Camacho has introduced us to the basic reality of CCOO union policy. On more than one occasion, for example, he has made use of his activities as a representative in Perkins or of what he has been able to sound out during the very many meetings that have been held recently and which have made him hoarse. In the interview held with our editor, Alberto Elordi, Camacho repeatedly insisted on one of the major points raised by the nation's first labor federation: negotiate, negotiate everything.

[Question] The CCOO has requested an interview with President Suarez on 15 October, that is, on the day after the rally. For what reason?

[Answer] The reason for going to Moncloa is, naturally, to negotiate, but we are also resolved to resort to all means available to us in the Constitution: the right to assemble, the right to demonstrate and the right to strike.

The workers and most importantly the CCOO, as a largely majority organization in the labor-union domain, feel that in this country and due to the economic crisis a joint effort is necessary.

We propose to attack the real problems in two segments. A first one, doubtless collective bargaining, which is of primary importance to us and in which those sectors that are involved ought to participate: on the one hand, the CEOE [Spanish Confederation of Business Organizations], which fundamentally comprises big business; of course, small and medium-sized businesses through their specific organizations, which everyone identifies as the CEPYME [Spanish Confederation of Small and Medium Businesses] and the COPYME [General Confederation of Small and Medium Businesses of the Spanish State]; and,

naturally, the representative union organizations: the CCOO, the UGT [General Union of Workers] and, for the Basque Country, the EIA [expansion unknown]-STV [Solidarity of Basque Workers]. We are not trying to excuse ourselves, but there is another sector that cannot be shunted to the sidelines. In our country and generally throughout Western Europe, we have a welfare state. The public sector, our officials depend for their salaries and working conditions on the government, which in some way represents the state. We also want to negotiate with the government on everything affecting this sector.

[Question] This last point is very reminiscent of the famous trilateral negotiation.

[Answer] In addition to these three well-known sectors, there could be a bilateral meeting between employers and workers, on the one hand, and, on the other, also a bilateral meeting between the government and the labor federations.

As far as the government is concerned, this would involve how it is affected as an employer and, for the employers, how they are affected as employer-trustees. The labor federations would participate in both meetings.

We Will Not Pull Out of the Crisis With Patches and False Solutions

The other question that also has to be raised is the fact that in one way or another there is here, in this country, an extremely serious economic crisis which, as we have on numerous occasions said, we cannot pull out of by patching things up and with false solutions.

Faced with economic reform, we have to make a cooperative effort, what we call national solidarity, to somehow more efficiently organize the economy. This is another point. That is, the 1980 collective agreements and wage reform will be discussed in this preliminary negotiation.

After that, there will be more extensive negotiation of such cooperation, of this solidarity program in terms of which the government, the unions and the political parties would be the employers since it would require a national sacrifice, joint participation and joint responsibility.

[Question] It is easy to imagine that you will develop all these topics in the interview you have requested with President Suarez.

[Answer] As a result of the fact that a great mass of workers, convoked by the nation's biggest labor federation, has arranged a whole series of mobilizations terminating in this 14 October rally, the government must receive us. This much is clear. And, of course, we will state all these proposals at that time.

[Question] These times have been very hard for the unions and for the mass of workers. How would you describe the government's attitude?

[Answer] Union rights will in some form be summarized in the Workers Statute. And we must say that there has not been the slightest attempt to negotiate on the statute. We spent 2 weeks studying 35 articles and then we went through all 70 of them in 1 day. Right from the start, the UCD [Democratic Center Union] opposed even the slightest discussion, the slightest attempt at summing up.

The fact of the matter is that the interviews granted us with the minister of labor never took place. As far as the government is concerned, there is no receptivity, no negotiation.

[Question] Do you think that the UCD is discussing the statute elsewhere, in forums other than Parliament?

[Answer] It is very likely. The speed-up over the past few days is due to pressure from the CEOE, and this is due to the fact that, not only is the CEOE "I order and I command," but also the consequences imposed by such behavior.

As we can now see, all this is conspiring to keep the resultant statute perfectly free of any content.

[Question] While there has been evidence of a profound difference of opinion between you and the socialists in the motion for the Workers Statute, it is no less certain that this difference also exists at the strictly union level.

[Answer] These past few days the question of negotiation or pressure has been raised. We do not want to be divisive but we do maintain that the union movement has been subject to negotiation or pressure throughout its existence.

The problem that arises is what and how to negotiate. For the moment, collective bargaining and, afterward, the solidarity program to pull us out of the crisis. Now, how do we negotiate this?

Bearing in mind that employers are neither philanthropists nor inclined to charity and that their basic goal is to reap a maximum profit, there are naturally clearcut elements of conflict between them and the workers.

In this field, the normal way of negotiating must involve a search for a balance of power, which naturally begins because all the workers form a united front. Among unions we can have all the differences we want but, when we have to confront this concentration of power between government and employers, we must inevitably do so with one voice.

[Question] Is this what you are going to say in Redondo when you speak at the scheduled interview?

[Answer] Yes, of course, and furthermore that I feel that this country's problems are so serious that patching them up, resorting to sporadic

solutions will of necessity lead to the downfall of the UGT federation itself. Our unified proposal first of all takes into account the fact that, despite the many differences of a philosophical or ideological nature we workers have, we fundamentally agree as a class. In the face of the employer and government policy, our interests coincide.

Workers Have to Appear Before Employers With One Voice

[Question] Do you disqualify the UGT because of the way it interprets and practices unionism?

[Answer] No, we believe that, aside from the fact that many of the proposals it is making in many sectors are negative, other workers cannot constitute the enemy of the workers. There is still a latent need for unity with other federations and first of all with the UGT. The vital objective of our entire union proposal is worker unity.

[Question] How do you feel when you stop to think that in scarcely 24 hours, on the 14 October, tens of thousands of workers will be rallying in Madrid?

[Answer] We are aware of the great responsibility we have, that on the 14th we will in a sense be in the public eye, not only because of what we are going to say, but also because we are going to rally there.

But it is most essential that the workers back our position. Personally, since you ask me, I am convinced that the CC00 will once again lend its stature and weight to this rally. I am absolutely certain that the event will be an exceptional one.

11,466
CSO: 3110

COMMENTARY SCORES GONZALEZ ON LACK OF ECONOMIC KNOWLEDGE

Madrid ABC in Spanish 21 Oct 79 p 43

[Commentary by Pedro Schwartz: "Felipe and Inflation"]

[Text] The political comeback of Felipe Gonzalez has been spectacular. He has steered the PSOE [Spanish Socialist Workers Party] and the UGT [General Union of Workers] toward moderation, and his recent speech at the "Club Siglo XXI" [21st Century Club] was impressive inasmuch as he pointed out that there is a power vacuum in Spain and offered to fill it. However, there is one blot on this canvas: Felipe Gonzalez seems to think that politicians can solve the nation's economic problems by paying no attention whatsoever to the precepts of economics.

Felipe got off to a good start. He was reelected secretary general of the Socialist party at the extraordinary congress held in September and will head an executive committee comprised of persons in his trust. His influence has been decisive in getting the UGT to bury the hatchet of class struggle and to sit down and discuss how to increase the productivity of the Spanish economy—something which would benefit the workers, among others. The speech with which he opened the series of lectures at the "Club Siglo XXI" had some very strong things to say about attacks against law and order by common criminals, political activists and terrorists; it contained some very sensible thoughts on the faults in the way in which the judicial branch operates; and it contained remarks expressing hopeful support for the advocates of moderation in the fields of labor and autonomy. All this would lead one to believe that a leader is emerging who will one day be capable of participating successfully in the Spanish Government.

However, on several occasions Felipe Gonzalez has displayed symptoms of what I would venture to call "economic astigmatism": he does not seem to see the economic dimensions of social problems; he does not seem to be able to gage the true complexity of economic problems; and he talks as if he thought these problems can easily be solved by waving the magic wand of power.

The first of these symptoms of astigmatism was the fact that there was not a single economist on the executive committee elected by the PSOE in

September and the fact that there was no economic advisory group on this committee's organization chart.

My concern about these oversights turned to alarm upon hearing the opinions expressed by Felipe Gonzalez at the "Club Siglo XXI" regarding possible solutions to the problem of inflation coupled with unemployment--or, to use a term coined by Americans, "stagflation"--from which the Spanish economy is suffering. He stated outright that despite the respect due economic experts, it is necessary to overcome their obsession with reducing inflation, and added, therefore, that it is necessary to combat unemployment by increasing public spending. In short, he advocated what is usually called a "Keynesian" policy.

The statement that the opinion of experts should be ignored borders on frivolity. What would we think of a ruler who, faced with the threat of an epidemic from an infectious disease, were to ignore the opinion of medical experts and summon the people to the cathedral for a session of public prayer? This is the equivalent of advising that inflation be ignored and that public spending be increased to combat unemployment.

Finding a solution to the inflation problem cannot be put off. From an economic standpoint, inflation produces in society such an addiction that its "high" can only be maintained with progressively greater injections of money. From a political standpoint, the wild fluctuations in the rate at which prices rise produced by this monetary irresponsibility generate conflict among various groups of citizens, who can only maintain their place in society if they succeed in increasing their income so that it is higher than that of their neighbors. And finally, inflation rates as variable and as high as those from which Spain has been suffering are incompatible with a democratic regime: they lead to class struggle, which always ends in a dictatorship, be it military or otherwise.

Furthermore, increased public spending, even when the government manages to channel it primarily into investments--which rarely happens--has a counterproductive effect on the kind of unemployment from which Spain is suffering. There is unemployment in Spain for three main reasons: because the inflation produced in order to finance public spending lowers the expectations of enterprises; because labor legislation prevents the labor market from operating in a nimble manner; and because many enterprises are in difficult financial straights.

An increase in public spending will not do away with any of these three reasons. Inflationary trends are fanned by the growth of the public debt which often accompanies this increased spending. The rigidity of the labor market cannot be corrected with state money, but rather with legislative reform which will introduce European habits into labor relations. The financial problems of the private sector can only be solved if the banks, the savings banks and the stock exchange can channel to the enterprises some of the funds which the public sector is currently using or wasting.

Helmut Schmidt, the social democratic chancellor of the FRG, said recently in statements to the weekly THE ECONOMIST: "We were the first to understand that the structural crisis the world is experiencing cannot be cured by printing more money. We will not go back on our convictions on this matter.... No, we will not accept mislabeled Keynesian formulas for a situation which is completely non-Keynesian."

After these statements by the German socialist leader, I can only regret that neither Felipe Gonzalez nor any other Spanish political leader knows much about economics.

9494

CSO: 3110

COMMUNISTS CLAIM ECONOMIC PLAN WEAK IN AGRICULTURE

Madrid MUNDO OBRERO in Spanish 30 Oct 79 p 11

[Article by Vicente Montoto, the chairman of the Farm Commission of the Communist Party of Galicia and a member of the party's Central Committee]

[Text] Although the government's economic program (PEG) makes no reference whatsoever to the farm sector (it does not even reaffirm the commitments made by the agriculture minister at the plenary session that the Congress devoted to the issue), we cannot say that agriculture is not directly affected by the philosophy that emerges from the program, and not just by omission, although that too.

Farm Unemployment Overlooked

First, the insufficient treatment of the unemployment problem is noteworthy. Considering that the endemic, controlled and concealed joblessness that exists in the countryside is awesome in scope and dramatic in its consequences (and those out of work are not even entitled to unemployment insurance), its omission alone would invalidate any plan.

Mr Abril Martorell views the market economy, the "savage" workings of the law of supply and demand as a panacea for a deep-seated economic crisis that goes far beyond the rise in crude oil prices.

The government's economic vice president wants to promote private investment, as opposed to reconverting INI [National Institute of Industry] enterprises and putting them on a sound footing, while renouncing intervention through government enterprise. But whose interests are really at odds with small and medium-size businesses, which provide jobs for the great majority of workers? Government enterprises, around which hundreds of auxiliary enterprises revolve, or the monopolies and multinationals?

Rural areas are, of course, interested in ending the investment shortfall and the shortage of jobs in industry and services. We cannot plan to transform agriculture without creating job posts to absorb the excess population in many backward regions of our country.

State Intervention Indispensable

The transformation of farms is the issue now before us. The unbalanced growth of the Spanish economy was achieved in recent years at the expense of relegating peoples and sectors to underprivileged status. Emigration was an escape valve that we can no longer resort to today. Galicia, where I am formulating these remarks, is surely an extreme example, with an active farm population that represents half of its total active population.

A transformation of backward farming is unthinkable without the government authorities providing the necessary means, including the promotion of government enterprises, especially in the farm products processing sector. It is alarming that at the threshold of EEC membership the government's economic program has overlooked the means to make our entry as untraumatic as possible.

The hopes that have been pinned on the autonomy process could be thwarted by the PEG's impact on the backward nationalities and regions, inasmuch as according to the strategy of monopoly capitalism, reserves of raw materials and cheap labor are part of its understanding of free enterprise, the free market. And it is not by chance that the backward areas are the ones in which farming is most important and that have benefited little or not at all from the "Spanish miracle."

When the government talks about cutting public expenditures, is it referring, for example, to a further curtailment of the IRYDA's [Institute of Agrarian Reform and Development] capacity to implement rural distribution and parcel concentration plans? According to a number of sources, at its current pace IRYDA would need more than 100 years to implement concentration requests. This, I am saying, is an obvious example of how jobs can be generated and the conditions created to produce wealth, along with a much-needed modernization to meet the European challenge.

I agree that we ought to secure every advantage for industry, but it cannot be at the expense of the great majority of the country. It cannot come at the expense of the thousands of workers who would be left without jobs if public enterprises were dismantled, which would take the small and medium-size auxiliary enterprises with them. It cannot be at the expense of Spain's farmers, the poor and the rich, who could wind up being the price that the country has to pay for the advantages for industry. In the final accounting, a country

cannot pursue an economic policy that considers only the major employers' association and the multinationals, because a democratic government can hardly rest and sustain itself on such a narrow base.

Can farmers continue to accept a policy of regulated prices in the form of a ceiling on their wages, while the monopolies, in the name of "their" freedom, continue to charge whatever price they want for fertilizer, fodder and machinery? What inflationary consequences for our balance of payments, currency reserves, etc, would not stem from an end to these controlled prices, from a lack of food supplies?

Except for very few sectors (farm industries dominated by monopolies that can at a given moment sell below cost, bankrupt small companies and then recoup their losses many times over by charging whatever prices they want), farmers are not calling for the unrestricted operation of supply and demand but rather the regulation of crops. They want to know that their output is on guaranteed purchase order, that the prices that they are going to receive will enable them to live off the land with a minimum of dignity. They want to have farm insurance to help tide them over catastrophes, which are so frequent in farming and livestock. They want to be able to control sudden influxes of imports. They want to see credit, tax, social security and subsidies policies as methods for the steady redistribution of wealth, not as additional mechanisms for incurring debts, preserving privileges and keeping people poor.

PEG Affects Farmers

The constitution recognizes the market economy, and that's fine. But it also stipulates that the country's interests come before this right. If these interests today are those of the workers, farmers, small and medium-size businessmen and merchants, the great majority of the country, it is not too bold to say that the UCD [Democratic Center Union] government's interpretation of the constitutional mandate is high-handed.

The PEG obviously affects the interests of Spain's farmers, as it affects the majority of citizens. Thus, it is essential that farmers be made to see that at this specific moment their place is in the common struggle with the workers and small businessmen against the UCD's economic policy.

The rallies staged by the ultra-right-wing sectors in Extremadura should put us on the alert.

It is a question of all of us working to overcome the economic crisis and of consolidating democracy and the new state. The countryside has an essential role in all this.

BRIEFS

GAS FOUND IN CADIZ GULF--Huelva, 17 October--According to reports by the Europa Press agency, the second production test drilling carried out by CAMPSA [Leasing Company of the Petroleum Monopoly, Inc.] at the "Gulf of Cadiz B-5" location--about 30 km from the coast of Huelva--has had positive results. The first test produced a daily volume of 750,000 cubic meters of practically pure methane gas. Once the production testing is completed, CAMPSA will begin new drilling in the "Gulf of Cadiz B-6" region, located south of the B-5 region, between "Gulf of Cadiz C-3" and "Gulf of Cadiz B-3," all of which are near the Huelva coast. [Text] [Barcelona LA VANGUARDIA in Spanish 18 Oct 79 p 44] 9494

CSO: 3110

PLANS FOR ARMY RATIONALIZATION MEASURES DESCRIBED

LD211655 Stockholm SVENSKA DAGBLADET in Swedish 8 Nov 79 p 4 LD

[Article by Erik Liden: "Seven Regiments To Be Disbanded in 1984"]

[Text] Between two and four army regiments, two naval regiments and one air force wing will be disbanded from 1984, notwithstanding the cutbacks already initiated. This is the conclusion of reports by the defense chief and others in connection with the 1982 defense resolution.

An increasingly harsh defense economy with greater wage claims during the eighties means that both peacetime and wartime organization will have to be trimmed throughout defense. However, the reduced birthrate means fewer conscripts, thus making the cutbacks easier to implement.

The disbanding of army regiments "P2" in Hassleholm, "A6" in Jonkoping and "I3" are under discussion. Another regiment could also be affected. The regiments "I16" in Halmstad and "LV6" in Goteborg were earlier under threat but development work on artillery ranges allowed them to survive this time.

In addition the army will amalgamate regiments in several districts and thereby reduce administrative costs. These will be the regiments "T1" in Linkoping which will be amalgamated with "I4-A1"; "T2" in Skovda which will be amalgamated with "P4-K3"; "I21" in Solleftea which will be amalgamated with "T3," and possibly "A3" in Kristianstad which might be amalgamated with "O6." "P10" in Strangnas will probably become an infantry regiment when the tank troops are reduced in the eighties. Since there are three tanks regiments in Skane and "P6" in Ravingehed is undergoing expansion at a time when "P6" in Kristianstad has taken over new exercise grounds, all the indications are that "P2" in Hassleholm will have to disappear. The survival of "A6" has already been linked with a larger artillery range in Skillingsarvd. That is now not forthcoming and so the politicians must take account of earlier decisions. "I3" has little scope in Orebro and was already under threat.

Army Chief of Staff Maj Gen Robert Lugn told SVENSKA DAGBLADET: "I cannot comment on allegations concerning specific districts but it is correct that the army must continue the rationalization already initiated in order to maintain the quality of training and equipment.

"From 1984 through 1989 between two and four regiments must be disbanded and two or three major amalgamations must take place. That will mean savings of 7.2 billion Swedish kroner [SKR] in the 5 years from 1987. That sum will be used for equipment and better training.

"Since there will be fewer recruits it will be easier for us to introduce high-firepower, sparsely manned units and more mechanized formations and missile units." No peacetime units in Norrland are affected by the army's future plans now being reviewed by the defense chief. In connection with the 1982 defense resolution a peacetime defense organization commission will probably be appointed to implement the cutbacks at an early date. They must be implemented soon if there are to be any economic gains.

The navy has already announced that the regiments "KA3" in Farosund and "KA5" in Harnosand are under threat, as are parts of the naval schools in Karlskrona and the naval warfare school in Nasbyark. The air force, which has already disbanded 10 wings with the disbandment of "F1," will have to disband another wing within a few years. Preparations are underway right now to disband "F11" in Nykoping and "F12" in Kalmar in accordance with an earlier Riksdag resolution.

In accordance with the same Riksdag resolution preparations are also in progress to disband "S1" in Uppsala which replaced "P1" in Enkoping. "LV3" in Sundsvall and "LV4" in Malmo are to be disbanded. However, "LV4" will be transferred to Ystad to replace "P7." All this means that the eighties will witness a greater series of cutbacks in Swedish defense than was entailed in the controversial 1925 defense resolution.

Robert Lugn said: "It must be noted that these cutbacks are implemented in respect of the most costly options accepted by the Government Economic Commission in connection with the defense resolution. If the less costly options were accepted we would be forced to achieve a balance among the branches of defense. There are various proposals that training should be abolished for 10,000-15,000 conscripts annually. In that case between 17 and 23 regiments would be disbanded, halving the army's peacetime organization. Some 3,500-5,600 permanent employees would have to be dismissed around 1985.

The more costly option entails SKR73 billion for defense in the period 1982-1987 and SKR78 billion in the period 1987-1992 and is supported by the nonsocialist parties. The Social Democrats support the less costly option entailing SKR65 billion in each of the 5-year periods; all these figures expressed in current terms.

These cutback plans are being drawn up at a time when "K4" is being established in Arvidsjaur at a cost of many billions of Swedish kroner and the army technical school is to be transferred to Ostersund at a similar cost.

At the same time it appears that SKR2 billion could be saved in the period up to 1990 if the school were to be allowed to remain [in] Stockholm. The defense chief has requested that the government review the transfer.

NEW ENERGY MINISTER DODGES QUESTIONS ON ENERGY POLICY

LD211641 Stockholm SVENSKA DAGBLADET in Swedish 7 Nov 79 p 4 LD

[Excerpt] Appeal Court Chief Justice Carl Axel Petri will be the non-political energy minister in the Falldin government until the nuclear energy referendum next spring. What he will do then will be decided at the time.

This was announced on Tuesday after 5 weeks' search for an energy minister. That same afternoon the new energy minister met the press for the first time at an unscheduled press conference in Government House.

After the press conference it could be directly said that Thorbjorn Falldin has found an accomplished tactician. He answered not a single question concerning either energy policy or general policy.

On his first day he could be induced to state nothing more than "I am a nonsocialist."

So why is he taking the job?

"I regard it as a challenge," Petri said. As appeal court chief justice in Jonkoping he is a highly regarded senior jurist. Now he is taking a reduction in salary to be a government minister.

Into the Fray

He himself describes his move into politics thus:

"It is like stepping from an ivory tower into a hurricane."

There is no doubt that a gale is blowing. For example, there is the strenuous task of reviving the almost stagnant work of drafting a bill in time for the referendum. Can it be done?

"I will do my best," Petri answered.

What does he think of nuclear power?

"I will not answer that."

How did he react to Harrisburg?

"I will not answer that other than saying that the accident showed how serious the issue is."

Carl Axel Petri is 50 years old, married with a grown-up son and daughter. The son is a law student, the daughter reads social studies at high school.

Almost Political

Has the energy minister ever before had anything to do with nuclear power?

"Yes, I was a director in the government's nature conservancy department and chairman of the environment committee.

He also has an "almost" political background--in 1961 he was a specialist in the then ecclesiastical department, before which he served on various Riksdag committees.

CSO: 3109

TURKISH AMBASSADOR TO IRAN DESCRIBES EFFORTS TO IMPROVE RELATIONS

Tehran BAMDAD in Persian 4 Nov 79 p 12

[Interview with Turgut Tuluman: "Turkish Ambassador to Iran Announces in Interview with BAMDAD: Turkey Is Trying To Strengthen its Relations with Iran"]

/Text/ Turgut Tuluman, the Turkish Republic's ambassador to Iran, described the relations between the two countries as friendly in an interview he held with BAMDAD newspaper's correspondent, referred to the two countries' common historical, cultural and religious relations, and stated "Turkey devotes special importance to its relations with Islamic countries, especially Iran."

BAMDAD: How do you view economic, political and cultural relations between the two countries following the revolution?

Answer: While it wishes for close relations with countries in the area, Turkey devotes special importance to its relations with the Iranian nation. The relations between the two countries arise from common historic and geographic benefits and cultural similarities; for this reason relations, and close relations, between Iran and Turkey are basic and natural. Therefore no problems exist between the two neighboring countries.

Following the revolution, substantial progress in political and economic relations may be observed between the two countries. The maximum development of political relations between the two countries and the strengthening of bonds in other fields is to the benefit not only of the two countries but also of world peace. The views of officials in the two countries at the foreign minister level show that definite bilateral cooperation has come into being, above and beyond existing relationships of friendship, neighborliness and brotherhood.

The nature of these activities has always been a matter of discussion especially in economic activities. In this connection we are intending to establish a center to be called the Trade Center inside the Turkish embassy in order to make Iranian customers familiar with Turkish-made goods. There are deep links in cultural relations between the two countries and our common goal must be to strengthen these links.

BAMDAD: How do you view the status of the RCD Pact, the future of this pact, and its effect on the two countries' relations with other countries?

Answer: This pact (outside the CENTO PACT) is an economic cooperation organization which was established by the countries of Pakistan, Turkey and Iran. In our view the RCD Pact can be an economic aid organization for member and other countries in the region. The most important element of significance in this organization is the particular cooperation which exists in the principle of this pact. Therefore, in our opinion, this pact can be a method and a model from the standpoint of form. The basic matter is the particular cooperation which has come into being between the people of the three countries and has caused exchanges between these countries.

BAMDAD: What is Turkey's position vis-a-vis the Islamic countries, especially the countries of the Middle East?

Answer: Two basic elements make up Turkey's Middle East policy. These elements have caused Turkey, while it is a Balkan and European country, to consider that it shares features with the countries of the Middle East as well, because of a common historical existence among the countries of the Middle East and because of its geographic location. Therefore, in all its relations and cooperation, Turkey gives preference to the Islamic countries of the area and thus believes in firm cooperation and strong relations among the countries of the region and non-involvement of foreigners in the region's problems.

Relations with Iran

BAMDAD: How do you view relations between the two countries in the future?

Answer: I view future relations between the two countries as very fruitful in every field where we can establish bilateral cooperation. My country's relations with Islamic countries, which I described in the previous question, enjoy a special importance as far as Iran is concerned. Since the people of the two countries have showed moral bonds for centuries, they can benefit from historic and geographical resources and strengthen these bonds as much as possible.

BAMDAD: What were the results of the Turkish foreign minister's visit to Iran?

Answer: As was published in Iranian publications, the trip by Prof Dr Gunduz Okcun, our minister of foreign affairs, to Iran was very successful. Talks were held in every field and a new plan for relations between Turkey and Iran was set forth. We are now in the stage of looking into matters concerning this plan, in order to see which plans will be carried out. Following the necessary findings, we will immediately bring them to the stage of implementation.

Question: How are Turkey's oil requirements being provided? Have talks on the matter of oil purchases at a preferential price from Iran taken place?

Answer: Turkey produces some oil itself, but this production alone does not meet all our requirements and we import a large amount from abroad.

Friendly countries such as Iraq and Libya supply a substantial amount of our oil requirements at low prices, for the first time, imports from Iran have also been under discussion. Following the revolution, the National Iranian Oil Company requested a suitable price for our limited purchases (oil imports) and we hope that the current situation will continue.

BANDAD: The previous regime (the former Shah) placed a loan of about \$1.2 billion at Turkey's disposal. What is the current status of this loan?

Answer: Although the agreement for this loan has been signed, disbursement of the loan has not yet reached the implementation stage. The future and manner of this arrangement, and the signing or nonsigning of similar agreements, are things which depend on the Iranian government's decision in the first place.

BANDAD: What is Turkey's position vis-a-vis the Kurds, since there are Kurdish people living in Turkey itself?

Answer: For a long time, Turkey has maintained a liberal democratic system. In this period, all persons who are Turkish subjects enjoy equal rights before the law, without regard for religion, language, race or creed. In another area, Turkey views the national unity of countries and preservation of their territorial integrity with respect, does not interfere in the domestic affairs of Iran or other countries, and strives to create friendly relations and maintain these relations.

This is a natural mode of behavior of Turkey's vis-a-vis neighboring countries.

11867
CSO: 4906

NUCLEAR POWER PLANT TALKS WITH SWEDES BROKEN OFF

Istanbul CUMHURIYET in Turkish 27 Oct 79 pp 1,11

[Text] Ankara: Talks being conducted with the Swedish firm of Asea-atom concerning the proposed construction of a nuclear power plant at Akkuyu near Mersin have been broken off, and the terms proposed by the firm with regard to credit have been rejected by the Ministry of Finance.

It is projected that the nuclear power plant, the first planned to be built in Turkey, will have a capacity of 4 billion kilowatt-hours and will cost approximately 800 million dollars. The Turkish Electrical Power Enterprise Directorate General sought bids for the power plant and, following two rounds of bidding, negotiations were begun with the Swedish firm of Asea-atom. Following talks that continued over a period of several months, the financial terms proposed by the firm were rejected by the Ministry of Finance. In the portion of the talks pertaining to credit, which were carried out by both the Ministry of Energy and Natural Resources and the Turkish Electrical Power Enterprise Directorate General, the firm announced that it would be able to provide 85 percent of the total amount necessary. The Ministry of Energy and Natural Resources accepted these terms and sent the agreement, including the financial terms, to the Ministry of Finance. The Ministry of Finance, however, put forth the view that 100 percent of the total cost, rather than 85 percent, must be supplied by the firm.

It is reported that, in view of the Finance Ministry's insistence on 100 percent credit and the insistence on 85 percent credit by the Swedish firm's representatives participating in the talks in Ankara, the talks have broken off. The firm's representatives have returned to Sweden in order to get instructions from their headquarters.

According to information obtained from various sources, it is being suggested that talks on the terms for the nuclear power plant could continue until the end of the year. Officials have stated that, in this event, construction of the power plant "could begin in two years at the earliest", and that it could go into operation seven years later.

HASAN UGURLU DAM PARTIALLY ACTIVATED

Istanbul DUNYA in Turkish 29 Oct 79 p 6

[Text] Samsun: Construction work on one portion of the Hasan Ugurlu Dam, the next largest generating plant in Turkey after the Keban Dam, is just about finished. Two of the dam's four generating units will be put into operation and begin to generate electricity at a ceremony to be held today.

When all four generators of the Hasan Ugurlu Dam, the nation's first underground power plant, go into operation, a total of 1.217 billion kilowatt-hours of energy will be produced per year. The structure of the dam, whose construction has taken approximately seven years, is 9.600 million cubic meters in volume, while the height of the dam is 135 meters above the river bed and 179 meters above its foundation. With these dimensions, the height of the dam is about equal to that of a 60-story apartment building.

Stating that the construction of the Hasan Ugurlu Dam has been completed and that the dam will begin trial production today, Zeki Demirci, DSI [State Hydraulic Affairs Directorate General] 7th Region Director, provided information on this matter as follows:

"As is known, construction of the Hasan Ugurlu Dam has taken seven years. Meanwhile, however, construction of the Suat Ugurlu Dam has been almost completed as well. Today, the gates of the first two turbines will be opened, and they will be put into operation."

Providing information on the technical structure of the dam, Zeki Demirci spoke as follows: "The total capacity of the lake behind the dam is 1.080 billion cubic meters. The length of the lake through the valley is 40 kilometers. The normal height of the water in the lake will be 190 meters. The height of the Hasan Ugurlu Dam, constructed completely as a rock-fill type dam, is 179 meters above its base and 135 meters above the ground. It has two diversion tunnels through which the water collected behind the dam will pass into the turbines; each of these tunnels is over a kilometer in length. The dam's power plant has been constructed beneath the ground, and thus the Hasan Ugurlu Dam will be our nation's first underground power plant. There are four energy-producing turbines

in the plant, each of which has a generating capacity of 125 megawatts. Thus these four turbines will produce a total of 500 megawatts of power. Today, the gates on two of the turbines will be opened, and they will begin to generate electricity. Thus this water will alleviate the present energy shortage on one hand, while, on the other, it will provide new life for the Carsamba Plain, as it will make it possible to harvest three crops per year."

9173

CSO: 4907

GRAVITY OF ELECTRICAL ENERGY CRISIS INCREASES

Istanbul CUMHURİYET in Turkish 28 Oct 79 p 6

[Article by Barbaros Gencak]

[Text] The Sariyar Hydroelectric Power Plant has stopped generating due to insufficient water in the lake behind the dam. Moreover, it is reported that the Cokcekaya Dam, which is operated with water released from Sariyar and is used to prevent a loss in energy, and thus has a very important function, is also about to shut down. Meanwhile, it has also been stated that the Ambarlı Power Plant, which has a 630 megawatt capacity but for various reasons has only one of its five generating units in operation, will shut down completely in the event that fuel cannot be obtained today. For these reasons, it has become a matter of concern that the national electricity system is in danger of stopping completely, and that, in spite of statements to the contrary, shutoffs will also be implemented over the holidays.

The cutoffs, attributed to a great incapacity in the national electricity system due to water levels having fallen below the danger point in lakes behind hydroelectric generating plants, the inability of the power plants to obtain spare parts because of the foreign exchange crisis or other reasons, and the current lack of fuel, affect daily life to a great degree.

In addition, the cutoff program drawn up by the IETT [Istanbul Electric Power, Subway, and Tramway Administration] General Directorate and announced three days ago has not been implemented as planned; the abnormal requests for cutoffs, particularly at night, by the watch linemen at the Turkish Electrical Power Enterprise Directorate General (TEK) Adapazari Loading Center, and the opposition to this by the IETT Load Distribution Directorate and grid operators, have caused various repercussions.

The electricity outages which are "such a trial" for residents and which, not being included in the program, are primarily being instituted at night, have gone on at an increased rate since three days ago, when the program prepared

and announced by the IETT General Directorate was implemented. According to the program drawn up by the IETT, night cutoffs have been implemented in industrial areas and amount to 120 megawatts. But with the T&K Adapazari Loading Center requesting additional cutbacks, areas cut during the day have also begun to be cut at night.

Sources involved in the matter point to the fact that the Sariyar Hydroelectric Dam has completely stopped generating, and that the Gokcekaya Dam, which is operated on water released from Sariyar, is about to stop as well. They also note that, if no fuel is found by about noon today for the Ambarli Power Plant, which has a total power of 630 megawatts but only one generator of which is currently operational, this power plant will also shut down. In view of this situation, it is being reported that, despite statements to the contrary, cutoffs will be made during the holiday period also, and that the national electricity system is in danger of coming to a complete halt.

Irresponsibility

Sources involved in the matter have stated that the waters collected behind the dams were irresponsibly released during the summer months, and that we are now suffering the effects of an arbitrary and irresponsible policy, which was implemented as a political investment so that it could be announced that the shortage had been eliminated. Some officials have criticized T&K officials and others in authority for not making any explanation as the electricity shortage continued, and have also accused them of putting pressure on those in charge by means of directives and of not permitting them to provide any information concerning the national energy system.

What Does Kumbasar Say?

Meanwhile, IETT General Director Suat Kumbasar has stated that the Martial Law Command does not want cutoffs to be made in Istanbul between the hours of 1600 and 2000. Kumbasar related that, after the Martial Law Command had stated that cutoffs made between 1600 and 2000 hours, when shops close and people are returning home, would enable armed extremists to carry out their activities more easily, he had conveyed this request to Gultekin Turkoglu, General Director of the Turkish Electrical Power Enterprises (TEK). Pointing out that, in spite of this, the daytime cutoffs, which begin at 0800 hours and should end at 1700 hours, have been extended without interruption until 2200 and even 2300 hours in view of TEK's unceasing requests, Kumbasar said that "We have been saying ever since March that we would come to this point. This situation is gradually getting even worse. We had shifted the night cutoffs to industry between 1830 and 2130 hours; yet our program is faltering in the face of TEK's demands."

Spare Parts Problem

Meanwhile, it has been observed that some of the gas turbine generating plants are operating at extremely low capacities due to a lack of spare parts. Included in the information obtained is the fact that the 154,000-volt Hopa-Giresun dual-circuit energy transport line has been completed, but that, since

380,000-volt lines have not been put up, the energy obtained there will not be able to be added into the national electrical system. The situation is the same at the Hasan Ugurlu Dam as well. There, also, 154,000-volt power lines have been put up. Because 380,000-volt lines have not been put up, the energy produced can only be transmitted to the Black Sea region. Yet not all of the energy transmitted to the Black Sea region can be utilized there, and thus the shortage occurring in the national electricity system cannot be made up, even partially. The generator units at Silahatara in Istanbul have not been repaired for some time. Officials, noting that this plant could be taken out of the grid if this situation continues, are stating that the production losses over the past nine months at the Aliaga and Seydisehir generating plants have been 425 million kilowatt-hours. The situation is the same at the Zonguldak Catalagzi power plant, where it is reported that the plant, not having been repaired in 32 years, is able to operate at only 10 percent capacity.

According to officials, the "de facto" electricity cutoffs carried out "secretly or openly" before the elections were, immediately after the elections, scheduled into a set program and announced "by orders from above". The officials involved, pointing to the fact that furnaces will be lit with the onset of winter, have stated that, if things continue thusly, the whole system will be completely paralyzed.

Furthermore, Tes-Is [Federation of Turkish Energy, Water, and Gas Workers Unions] General Chairman Faruk Batur noted that he had stated earlier that Turkey would be plunged into darkness; he said that "We reiterate that the present electricity shortage will greatly intensify in the months ahead, and that the industrial sector will suffer great loss... Besides this, it is not possible for the energy issue to be turned into a political football, or for the matter to be evaded with political rhetoric."

Outage in Eskisehir

Eskisehir: It has been reported that the Eskisehir Light Industry Zone, which includes 690 workplaces in various branches of industry, has been able to obtain only three hours of electricity per day.

Shopowners have said in a statement which they have made that they have been unable to accomplish any work with three hours of current, and have requested that "the main step-down transformer center be put into the grid quickly, so that electricity can be supplied to the industrial zone on a more regular basis."

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'MILLIYET' COMMENTARY ON NATIONAL FERTILIZER PROBLEM

Istanbul MILLIYET in Turkish 6 Nov 79 p 2

[Article by Dr. Orhan Kural, Senior Mining Engineer]

[Text] After petroleum, Turkey's next greatest import item is fertilizer. Fertilizer consumption, which stood at 300,000 tons in 1960, was 7.5 million tons in 1978, while it is expected to reach 10 million tons in 1979.

An increase in the nation's agricultural production is essential, both in order to feed the rapidly growing population and from the standpoint of export. Extremely productive land amounts to about 1.5 percent of Turkey's land area. Since there is no possibility of bringing about an increase in the crop by expanding the land area under cultivation in the country, the path to be followed in order to increase agricultural production is to harvest a greater crop per unit area. For this reason, it is necessary to give special impetus to the application of fertilizer.

Since 1960, the Turkish farmer has realized the value of fertilizer, and he utilizes it on his land. In fact, fertilizer consumption has rapidly increased, rising to 10 million tons in the year 1979. This increase in fertilizer consumption has taken Turkey from being an importer of grain products to the position of being an exporter. In 1979, Turkey concluded agreements to sell wheat to Iran, Iraq, Libya, and the USSR. If fertilizer consumption were to double, it would be possible to earn 1.5 billion dollars from foreign sales.

According to values obtained from statistics compiled in Turkey and at the United Nations Food and Agriculture Organization (FAO), the amount of fertilizer applied per hectare of land in Turkey is below that of many other nations. In the Netherlands, the figure is 765.5 tons per hectare; the figures are 400.2 tons per hectare in West Germany, 280.4 tons per hectare in France, 109.7 tons per hectare in Greece, and only 63 tons per hectare in Turkey. Thus fertilizer consumption per hectare in Turkey is only half the amount used in Greece and a mere 1/12 of the amount used in the Netherlands.

Such comparisons with the amounts of fertilizer consumed in other nations show that only a portion of the potential productivity per unit area of land is being achieved in Turkey. If the nation's land were fertilized in accord with modern technology, current fertilizer consumption would have to increase seven-fold.

The new fertilizer production plants being built are incapable of preventing an increase in the fertilizer shortfall. While 855,508 tons of 21-percent-nitrogen fertilizer was imported in 1974, this figure rose to 2,543,734 tons in 1976 and is still increasing each year. In 1978, Turkey imported 650 million dollars worth of fertilizer. During the first five months of 1979, while 5.8 percent more was being paid for petroleum than in the same period of the previous year, a price rise of 39.2 percent had taken place for fertilizer. The fertilizer imported from January to May 1979 would have cost 98.699 million dollars if paid for at 1978 prices. Paid for at 1979 prices, however, the amount came to 137.403 million dollars. If the fertilizer plants built in Turkey had been able to operate at full capacity in 1978, almost 5 million tons of fertilizer would not have been imported, and 300 million dollars of foreign exchange would thus have been saved. In a period when a shortage of resources for investment is being suffered, it is obvious how important this could be.

Domestic Production Three Times Cheaper

Turkey's fertilizer production capacity is 3.6 million tons of nitrogen fertilizer and 3.9 million tons of phosphate fertilizer, for a total of 7.5 million tons. Only 2.5 million tons of this was produced domestically, 4.5 million tons being imported. Each ton of imported artificial fertilizer costs 113 dollars. For domestically produced fertilizer, however, this figure is only 34 dollars per ton. And in 1979, the cost difference will be even greater. According to private-sector industrialists who produce fertilizer, 3 dollars worth of imports will be able to be offset by 1 dollar worth of domestic production.

The primary reason for the fertilizer plants' not operating at full capacity is the disrelations among the various institutions which carry out the production, importation, and distribution of fertilizer. The lack of effective cooperation hinders the prompt procurement of the phosphate rock, ammoniac, sulphuric acid, pyrite, and phosphoric acid which are all imported in order to produce fertilizer, and thus the state ends up having to import ready-made fertilizer from abroad.

However, if the raw materials necessary in order to produce 5 million tons of fertilizer were all imported, it would be necessary to pay 170 million dollars.

What Is the Goal?

Domestic production of all the fertilizer needed by Turkey must be taken as the goal, and the import-based fertilizer policy followed until now must be abandoned at once. A step-by-step transition to a system of fertilizer production

based on domestic sources of raw materials can be implemented. Production of ammoniac from naphtha and of sulphuric acid from sulphur should be abandoned, and lignite and pyrite should be utilized as sources of raw materials. Otherwise, since it is impossible to procure sufficient raw materials such as phosphoric acid and ammoniac at the Samsun and Elazig plants, just as at the other plants, the possibility of regular production is not likely to arise. The nitrogen industry, which performs vital functions in meeting the nation's need for nitrogen by utilizing domestic raw material resources, should take on the responsibility of establishing a national fertilizer industry, and it should procure extensive research facilities. Meanwhile, those private plants which are engaged in efficient production of fertilizer should be aided. New plants should be planned in accordance with the latest technology and should possess excess productive capacity.

The primary element of the research to be carried out should be research and study of minerals which could serve as raw materials for the fertilizer industry. Among these minerals might be listed phosphate, sulphur, potash, alunite, perlite, gypseous and pyritic earths, magnesite, diatomite, leucite, lignitic peat, dolomite, mica, glauconite, and borax and limestone deposits.

For example: the Elbistan lignite deposits are a suitable source of nitrogen fertilizer. Sources show that lignites composed of less than 70 percent ash and more than 20 percent humic acid can be used to produce nitrogen fertilizer. Fertilizer obtained from coal both provides nitrogen and furnishes the plant with carbon, which is just as vital for the plant as is the nitrogen; it also prevents poisoning by means of trace elements, regulates the soil's capacity to hold moisture and exchange bases, prevents sudden pH changes, and, most important of all, by nourishing the soil slowly, enables more nitrogen to be taken into the plant. The fact that the fuel value of the lignite and peat used for such a purpose would be quite low, and that the elements of a facility utilized for such a process would merely consist of a grinder and a fluid separation vat, makes the idea even more attractive.

In a study carried out in the Elbistan-Afsin basin, it was observed that humic acid increased with proximity to the surface, and that the humic acid percentage reached 56.78 percent. While nitrogen fertilizer is being prepared from lignites with humic acid contents of 20 percent and higher in India, Poland, the USSR, Japan, and China, the Elbistan basin has lignite averaging 50 percent humic acid. For the past seven years, studies in the Elbistan basin have been carried out by the Istanbul Technical University Mineral Science and Chemistry Faculties, the Middle East Technical University's Chemical Engineering Division, the Ankara Agriculture Faculty, the Ankara Soil and Fertilizer Research Institute, and the Yesilkoy Agricultural Research Institute.

Due to a lack of coordination among these studies, they have not attracted the interest even of the TKI [Turkish Coal Works Directorate General] or the officials of the nitrogen fertilizer industry. Yet the studies carried out so far have shown that the low-grade lignites of the Elbistan basin would be very valuable as raw material for fertilizer. The upper-strata lignites in the

Elbistan basin, which are not being utilized as fuel due to their low caloric value and which are not stable against moisture when made into briquettes, could most rationally be utilized as nitrogen fertilizer.

In the agricultural sector, fertilizer consumption has shown a rapid increase during the plan periods. For instance, fertilizer consumption, which had been about 300,000 tons per year up until the 1960's, rose to 1.5 million tons annually at the end of the first plan period and 3.5 million tons per year at the end of the second plan period. From the product standpoint, fertilizer use has been greatest in highly profitable crops sown in irrigated areas, especially plants utilized in industry, and the proportion of land area fertilized has risen above 70 percent among these products. The rapid increase in fertilizer production, which has been seen especially during the plan periods, can be ascribed to technological and economic factors, as the factories which have been built in order to meet this demand for fertilizer can carry out this duty only to the extent that circumstances permit.

So that all the factories built in order to produce fertilizer may operate at 100-percent capacity, the raw materials processed by these factories must be imported without impediment, and effective coordination among the institutions which produce and import fertilizer must be established.

The necessary raw materials for the new factories which will be built should be chosen from among underground deposits whose exploitation has not been considered economic. In order for this choice to be made, the disparate studies which have been carried out so far on this topic should be evaluated jointly by the relevant authorities.

Efforts should be initiated immediately to construct a nitrogen fertilizer plant which will use the lignite in the Elbistan region for raw material.

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PAPER WARNS AGAINST U.S. APPEARANCE OF IMPOTENCE OVER IRAN

London THE DAILY TELEGRAPH in English 22 Nov 79 p 18 LD

[Editorial: "Islam in Ferment"]

[Text] Mecca and Islamabad yesterday joined Teheran as the scene of Islamic passions boiling over. It is a wave which may have further to go. The West, in particular America, does not know what to do about it. It is something new in modern times. The immediate focus of American anxiety is, of course, the fate of the 49 Americans still being held hostage in their embassy in Teheran. There is now a real and immediate danger that they might be killed. Ayatollah Khomeyni has said they will be put "on trial," but has already said in advance that they "are spies." The so-called "students" holding them have said they will be killed if America makes any military moves.

The attacks on the grand mosque at Mecca, Islam's holiest shrine, and on the American Embassy in Islamabad, in which one American marine was killed, are almost certainly overflows from the ferment in Iran, though exactly how may not be clear for a time. Though the Saudi Arabian dynasty belongs to the Wahhabi sect of the Sunni ["orthodox"] branch of Islam, there are many Iranian shi'ites, as well as Palestinian expatriate workers, in Saudi Arabia. So there are in all the Gulf states. The Shi'a sect is predominant in Iran, accounts for half the populations of Iraq and Bahrain, and has substantial minorities in the Indian sub-continent.

What is worrying, of course, is the specifically anti-American and anti-Western bias being thrown up by the religious ferment and strife. Though this must be welcome to Russia, it is not something Moscow can be altogether complacent about since there are large Moslem populations in the Soviet Union. President Carter has now hinted strongly that he may seek some form of United Nations (Security Council) cover for military action. He would be most unlikely to escape a Russian veto but the attempt might be worthwhile. There is in fact hardly any scope for a limited military action against Iran, certainly not one which would save the hostages, but tempers are rising in America. She should look to her provocative appearance of impotence; so should the West.

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